

Nurses stop short of last ditch measures

By MENAHEM SHALEV
For The Jerusalem Post

Nurses and Magen David Adom workers yesterday balked at carrying out "last ditch" measures that would have shut hospital emergency wards and ambulance services throughout the country.

The hospital nurses action committee last night decided not to intensify the strike, which this morning enters its 11th day. Resisting mounting pressure from hospital nurses, the committee decided not to desert emergency wards and maternity and intensive care units for fear of losing the support of doctors and the public. Such moves could have created immediate, life-threatening situations directly attributable to their actions.

But the nurses refuse to return to work, even if negotiations begin, unless the government undertakes in writing to discuss any and all matters pertaining to their needs.

MDA workers responded to pleas by the Histadrut and reactivated one intensive care ambulance at each MDA station. They announced that if the wage agreement—signed by the MDA management but vetoed by the Treasury—was not approved by 10 o'clock this morning, they would shut all MDA stations until 6 o'clock this evening. MDA workers are entering the fourth day of their hunger strike today.

After meeting yesterday morning with Prime Minister Peres and Finance Minister Moshe Nissim, Health Minister Mordechai Gur said he accepted "the principle" that

negotiations could not begin while the strike continued, which is Nissim's line. Previously Gur had agreed on a start to talks if only some of the nurses returned.

Doctors meanwhile have stepped up their demands for an immediate solution to the crisis. For the first time, some doctors also publicly criticised the nurses yesterday.

Professor Shoshana Biran, head of the oncological department at Hadassah Ein Kerem called on nurses to return today to the country's six oncological wards. She said that the nurses were "endangering the lives of cancer patients" who were not receiving even minimal treatment. The nurses responded to the call by returning a solitary nurse to each cancer department.

"The protracted strike is causing so much anguish and suffering for the patients that it can only be termed a catastrophe," Prof. Michael Mayer, deputy director of Hadassah Mount Scopus told The Jerusalem Post yesterday. "As long as nurses are in intensive care units, we can cope somehow. If they decide to abandon those units, we may as well close the hospitals altogether."

Mayer said that for the past 10 days only emergency operations had been carried out at the hospital. But, he added, the operations being postponed are "serious cases".

Meanwhile, Health Ministry spokesman Shmuel Algrabi told The Post yesterday that there had been "scores" of newborn babies released from the hospitals who had not had the critical PKU blood test.



Crewmen of the Venezuelan barquentine Simon Bolivar stand on the rigging and yards of the ship as it pulls out of Newport, R.I., on Tuesday, bound for the Statue of Liberty celebrations in New York City. The Simon Bolivar and other international sailing ships participated in a Parade of Sails in Narragansett Bay on their way to New York. See story, Page 3. (Reuter telephoto)

Peres, Rabin to abide by High Court decision

Petitioners get initial victory

Tuesday night's High Court of Justice order to the state to show cause why it should not investigate the General Security Service (Shin Bet) affair may lead to a paradoxical reversal of positions among the country's politicians.

The High Court rejected the state's argument that the five sets of petitioners had no "standing" in the affair, and granted the petitioners an initial and important victory in their fight to force the government to launch an investigation, by police or judicial commission of inquiry.

ANALYSIS BENNY MORRIS

The state—meaning the government, the vice premier, justice minister, police minister, the inspector general of police, and the attorney-general—must respond to the petitioners within 14 days.

The High Court has also ordered the Shin Bet's two legal advisers, who are among the four men who received pardons last week from President Herzog for their part in the alleged cover-up, to submit detailed affidavits explaining the progress by which the pardons were issued, and the reasons for their own requests for a pardon.

The High Court left open the question of its opinion about the president's right to pardon persons whose alleged crimes have not been investigated and who have not been tried or convicted for such crimes. The court deferred its ruling on this point of principle.

But, in issuing the show cause orders, the High Court may to some extent have indicated the drift of its thinking on the presidential pardon/resignation deal worked out by Herzog, Shin Bet chief Avraham Shalom, private lawyers Ram Caspi and Ya'acov Ne'eman, and Minister of Justice Moda'i and subsequently approved by Attorney-General Yosef Harish and the inner cabinet last week.

(Continued on Page 2, Col. 5)

Cow survives, car damaged, family unhurt

By MENAHEM HOROWITZ
Jerusalem Post Reporter

SAFAD. — A falling cow nearly killed a doctor and his family in their car early this week. The cow had apparently stumbled from a mountain trail and landed on the hood of the car, completely destroying the engine.

Dr. Gadi Azugi, a physician at the Safad government hospital, and his family escaped uninjured. The cow, too, survived.

In recent weeks there has been an increase in the number of animals wandering into buildings in the Galilee. Cows have been found in the Safad hospital's morgue and library. There has also been an increase in traffic accidents involving animals.

PLO official blasts Jordan plan on West Bank mayors

AMMAN (AP). — A senior PLO official says the organization opposes a Jordanian plan to let Israel name four Palestinian mayors in the West Bank.

Khalil Wazir, chief military deputy of PLO chairman Yasser Arafat, said the organization considered the proposal to be part of Israel's "local autonomy" plans for the West Bank.

Palestinian sources in Amman and on the West Bank said Jordan was pressing four Palestinians to accept the mayoral posts, replacing Israeli military rulers in the municipalities.

But sources in both areas said PLO opposition could cause the proposed mayors to back off. PLO supporters in the territories have

demand municipal elections. The local autonomy proposals of Prime Minister Peres and Jordan's calls for "maintaining the Arab identity" of the West Bank.

A senior official in Jerusalem said it was a move to diminish the popularity of the PLO. King Hussein broke with Arafat in February after an unsuccessful year-long attempt to bring the PLO into U.S.-backed peace negotiations with Israel.

Bethlehem's Mayor Elias Freij said negotiations had been held to appoint Mohammed Ja'abari in Hebron, Khalil Musa in Ramallah, Walid Haj Yehiya Mustafa in el-Bireh and Abdel Fatah Dudin in Dura.



On the 10th anniversary of the Entebbe rescue operation, Premier Peres and Defence Minister Rabin are interviewed about terrorism on Israel Television's Moked programme. At the time of the raid, the positions of the two ministers were reversed. (Gustavo Feinblatt)

Mubarak: Taba dispute to be resolved soon

Post Middle East Staff and Agencies
CAIRO. — President Hosni Mubarak said in an interview released yesterday that progress had been made in the Israeli-Egyptian Taba border dispute, and that it would soon be resolved.

Mubarak told the weekly magazine Al-Musawwar that the U.S. was trying to resolve the four-year-old dispute by narrowing the differences between Egypt and Israel on "the question" to be presented to the arbiters.

"I think that recently there has been some progress and I am sure

that the arbitration problem will be solved soon," Mubarak said in the interview.

Meanwhile, U.S. State Department legal adviser Abraham Sofaer, who is trying to bridge the differences between Cairo and Jerusalem, ended three days of talks in Cairo yesterday and was reportedly due in Israel to relay the new Egyptian suggestions.

Neither the American nor the Egyptian negotiators have provided details about the new ideas for resolving the dispute over the tiny strip of Sinai beach next to Eilat.

Syrians quit S.E. Lebanese town

Syrian paratroopers have reportedly been withdrawn from the southeastern Lebanese town of Mahrara, which they entered about two weeks ago to quell fighting between rival leftist and Moslem fundamentalist factions.

The June 15 Syrian deployment halted four days of heavy fighting between the Syrian-allied Syrian Nationalist Socialist Party and the Hizbollah, or Party of God, and extremist Shi'ite faction backed by Iran.

French throw out thesis that denies death camps

PARIS (Reuter). — The French government yesterday overturned a controversial decision by a provincial university to accept a doctoral thesis that questioned the existence of Nazi gas chambers.

The Minister for Research and Higher Education told reporters he ordered the thesis thrown out and the doctorate withdrawn because of irregularities in the examining process.

The University of Nantes last year awarded a doctorate to agronomist Henri Roques, 66, for a 371-page work arguing that there was no firm evidence to prove the Nazis ever gassed prisoners in concentration camps.

The thesis, which was singled out for being well above average, provoked a storm of protest in France and abroad from Jews and other victims of the death camps.

The minister said the signature of one professor appointed to a four-man examining board had been forged to allow the approval of the thesis. The university had also violated various administrative procedures, he said. He added that he had asked the university to take legal action over the fake signature, and ordered the suspension of Prof. Jean-Claude Riviere, head of the examining board.

Nation commemorates Entebbe operation

Jerusalem Post Staff

Defence Minister Yitzhak Rabin said last night that the rescue in Entebbe of the passengers of the hijacked Air France airliner was a "turning point" in Israel's war against terror. He noted that for the past 10 years there have been no attempts to hijack aircraft travelling to or from Israel.

Rabin and Prime Minister Peres were interviewed last night on Moked, to mark the 10th anniversary of the rescue operation. Peres was the defence minister and Rabin premier.

Rabin stated that all governments had a responsibility to try to secure the release of any Israeli civilian

taken hostage and of any soldier taken captive.

"We would prefer to free them by military means," he said, "but securing their release through negotiations is never ruled out."

When asked to compare last year's release over 1,000 terrorists in exchange for several soldiers with the decision to opt for a military solution in the Air France hijacking, both Rabin and Peres said that there had been no realistic option but to negotiate in the case of the soldiers.

Rabin said that he had been satisfied with the decision to release the terrorists, and would repeat it if circumstances warranted.

Peres and Rabin also spoke last night at a ceremony held at Wohl Amphitheatre in Tel Aviv's Yarkon Park. The audience was made up of the rescued hostages, including the captain of the hijacked Air France flight 339, the rescue force, and the families of both groups.

Health Minister Mordechai Gur, who was chief of general staff at the time, and Deputy CGS Aluf Dan Shomron also spoke.

U.S. Vice President George Bush sent a letter to Peres on the anniversary of the raid, expressing thanks to the soldiers who took part

in it. Bush said he was writing on behalf of President Reagan and the entire American people.

Hundreds of people attended a memorial service yesterday afternoon for Yonatan Netanyahu at the Mt. Herzl military cemetery in Jerusalem. Among those present were President Herzog, Peres, ministers, IDF officers, comrades-in-arms, and recently freed Prisoner of Zion Anatoly Shecharansky.

Shecharansky said that after the raid he had come across a picture of Netanyahu in an American newspaper and had pinned it up in his room in Moscow.

"During nine months, until I was arrested, he supported me with his smile," Shecharansky said, "and after they threatened me with the death

penalty, I thought about him often. I thought: Yoni was killed when he was 30 years old, I am now 30, and if the worst comes I will lose what he lost," Shecharansky related.

Peres, Defence Minister Rabin, and Vice Premier Shamir came to Beit Hanassi yesterday for a reception marking the anniversary of the raid.

Herzog, who was ambassador to the UN at the time of the raid, said the rescue operation had been "a historic moment" for the State of Israel and the entire Jewish people.

Ilan Hartuv, son of murdered hostage Dora Bloch, speaking in the names of those who had been rescued, recounted how Idi Amin had told them several times during their captivity that Israel did not care about them. "But we knew that everyone was trying to save us,"

Related stories Page 4



Yonatan Netanyahu

Star Wars experiment succeeds

WASHINGTON (AFP). — The U.S. made further progress in the development of a space defence "shield" on Monday when a target device 13,000 feet above the earth was intercepted by an army missile.

Defence Secretary Caspar Weinberger said on Tuesday that the test had taken place over the White Sands, New Mexico, testing ground last Friday as part of research for the Strategic Defence Initiative (SDI), also known as Star Wars.

He told a press conference here that the target device had been released by a plane flying at 50,000 feet. When it had fallen to 13,000 feet at three times the speed of sound, it was destroyed by an experimental missile launched from the ground.

The supersonic missile, four metres long and controlled by a small computer had found its target in just eight seconds, Weinberger said.

The secretary stressed that this was the first time a moving target had been intercepted by a missile with automatic radar.

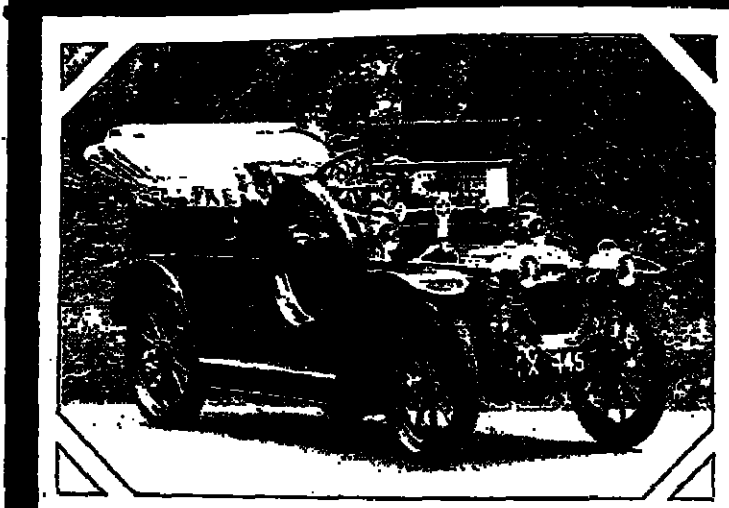
Israel cooperating in Pollard probe — Meese

WASHINGTON (Reuter). — Attorney-General Edwin Meese said yesterday Israel is cooperating with U.S. prosecutors investigating the Jonathan Pollard spy operation. "My understanding is that the Israel government is cooperating in the case."

Bruno to request Recanat ouster

Israel Television last night reported that Bank of Israel Governor Michael Bruno intended to request authorization from next Sunday's cabinet meeting to dismiss Bank Discount head Raphael Recanat. The Bank of Israel spokesman refused to either confirm or deny this report.

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COPENHAGEN	16	12	20
FRANKFURT	15	11	19
GENEVA	15	11	19
HAMBURG	14	10	18
LONDON	13	9	17
MADRID	13	9	17
MUNICH	14	10	18
PARIS	15	11	19
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THE WEATHER

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	41	15-27	28
Golan	14	14-30	29
Nahariya	23	16-28	28
Safed	23	16-28	28
Haifa Port	23	16-28	28
Tiberias	27	20-35	35
Nazareth	27	18-31	31
Afula	40	19-31	31
Shomron	33	18-28	29
Tel Aviv	51	20-29	29
B-G Airport	42	19-29	30
Jericho	48	20-38	38
Gaza	63	20-27	28
Beersheba	27	14-32	32
Eilat	13	23-38	38

SOCIAL & PERSONAL

California Republican senatorial candidate Congressman Ed Zschau on Tuesday visited the Weizmann Institute of Science and met with Prof. Adi Shamir and Joseph Schwartz.

Gad Propser is to speak to the Rotary Club on industry's contribution to the country's economic recovery at the Tel Aviv Hilton at 1:15 p.m. today.

El Al disruptions

Two El Al flights were disrupted yesterday afternoon at Ben-Gurion airport when cargo department employees held a meeting during work hours to protest against what they said were unauthorized deductions from their salaries.

Peres gets doctorate

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. — Friction between the religious and secular communities may be the beginning of a new synthesis between Zionism and Judaism, Prime Minister Peres said last night at Bar-Ilan University, where he was awarded an honorary doctorate in humane letters.

Move against elections blocked in WZO

A proposal to make it easier to avoid holding elections to the Zionist Congress in the Diaspora was defeated last night at a session of the Zionist General Council, which is meeting this week in Jerusalem.

The proposal said that representatives to the Congress could be appointed, rather than elected, if 80 per cent of the Zionist parties in a given country so agreed.

In a secret ballot, 72 voted for the proposal, 64 against, and four abstained. A majority of two-thirds, or 90 votes, was needed for it to pass.

Chilean soldiers slay girl during anti-gov't protest

SANTIAGO (Reuters). — A 13-year-old girl on a family errand was shot dead by soldiers yesterday, the third fatality in the first hours of a two-day anti-government protest. Police sources and witnesses said.

One witness told a local radio station that soldiers had begun shooting at demonstrators in south Santiago and the girl, Nadia Fuentes, was hit in the stomach and the leg. She had gone out to buy bread, the witness said.

A wave of bombings hit the capital and other cities as President August

HOME AND FOREIGN NEWS

Strike off El Arish may mean oil for Israel

By BERNARD JOSEPHS
Jerusalem Post Reporter

A massive oil strike off the Egyptian coast at El Arish points to a possible bonanza for Israel, an Energy Ministry source said yesterday.

He added that the El Arish strike tends to confirm hopes that oil reserves exist off Israel's southern coast too.

Several local and foreign companies are showing interest in drilling rights, but the oil, assuming it's there, is likely to stay under the sea until fuel prices recover.

The Egyptian well, identified by Israeli experts before the area was handed back to Egypt under the Camp David peace treaty, was recently producing 12,000 barrels a day, making it the most prolific in the Mediterranean.

But now Total, the French company that runs the site, has stopped the flow of oil because it says prices are too low.

The Energy Ministry source said that the problem for Israel is that "on our side the oil-bearing rock is 1,000 metres deep, compared with depths of 60 metres in the North Sea oil fields."

"That means any company going for it will have to be prepared to make a very heavy investment; with prices as they are, everybody's reluctant to do so."

The source said he believed Total had closed the El Arish operation either because it wanted to persuade the Egyptians to make concessions on their contract, or because it had run short of money.

"Just to develop this well would have cost Total \$70 million-\$150 million, and that's before you start pumping. At present prices, it takes time to get your money back even at 12,000 barrels a day."

Meanwhile, the source said, work resumed yesterday on two promising wells in the Negev after a lengthy pay strike by workers of Lapidot, the government-owned drilling company.

The two sites, Kerem Shalom and Heletz, were good prospects, he said. But at the same time, the government-owned National Oil Company has imposed a moratorium on drilling new wells.

"We have decided that it is time to analyse oil exploration efforts over the past 10 years," he said. "It is not enough just to go around making holes in the ground."

26% of Orthodox 'would vote NRP'

By HAIM SHAPIRO
Jerusalem Post Reporter

If elections were held today, about 26 per cent of Orthodox voters would cast their ballots for the National Religious Party, according to a survey commissioned by Erev Shabbat, the religious weekly that appears today.

According to the survey, some 26 per cent of 1,237 people polled said they would vote for the NRP, indicating an increase in support; 28 per cent said they would not vote at all. Many of these cited the failure of the Orthodox parties to advance any legislation in the interests of Orthodox Jews as the reason for their lack of interest.

The survey also showed Agudat Yisrael holding its own, and Shas and Poalei Agudat Yisrael dropping slightly. Kach received virtually no support.

The combined strength of the religious parties would drop by 20 per cent, the poll found.



'Theodor Herzl' is thrown out of yesterday's meeting of the General Assembly of the World Zionist Congress in Jerusalem. Actor Jeff Gurner, 'Herzl,' was there as a representative of Telem, the Movement for Zionist Fulfillment, to protest against the denial of representation for Zionists not affiliated with political parties or federations.

20 per cent increase in Israelis going abroad

Post Economic Reporter

The number of Israelis going abroad was 20 per cent higher in June than in the same month last year, but the state registered a sharp drop in revenues in the first quarter of the fiscal year from levies on foreign currency transactions for travel abroad.

Treasury officials attributed the drop in first quarter revenues, which were 45 per cent lower than last year's, to fewer foreign currency purchases at banks.

They said the high rates of exchange were apparently discouraging people from using the banks, the understanding being that many were turning to the black market to make their transactions.

Senior sources in the Treasury said that, despite the large jump in the number of Israelis going abroad, there has been no move to increase the travel tax, which is currently about \$110 per person.

There has also been a 20 per cent increase in the number of imported cars, and a staggering 129 per cent increase in the import of television sets and 133 per cent rise in the number of video sets.

Young, rich Galilee kibbutz breaks up

By DAVID RUDGE
Jerusalem Post Reporter

RAVID. — Ideological and social problems were blamed yesterday for the break up of this young and prosperous Lower Galilee kibbutz.

All Ravid's 14 families (35 people in all) are in the process of leaving the hilltop settlement that they founded just five years ago.

But the kibbutz itself, part of the United Kibbutz Movement, is not being abandoned. UKM spokesman Shlomo Leshem said that a 25-member strong volunteer group will temporarily take over Ravid.

The new group, comprising veteran and young kibbutz members from all over the country, will run the kibbutz for about a year, pending the arrival of another settler group.

Kibbutz Ravid, in sharp contrast to many other settlements, was regarded by the kibbutz movement as an economic success story because its Blokal block-making factory, which works for the construction industry is a booming concern.

But the Ravid members "did not have enough ideological background, and there were personality problems and differences of opinion," said Leshem.

"The chemistry wasn't right, and they found they were unable to operate as a cohesive communal unit. In addition they were unable to absorb new members which, ultimately, would have led to stagnation," he added.

Bill would boost share of revenues spent on roads

A bill that would greatly increase the share of tax revenues spent on road construction and repair passed its preliminary reading in the Knesset yesterday.

Twenty per cent of state revenue from all taxes and levies on the purchase or ownership of automobiles and petrol sales would be earmarked for roads under the private member's bill that was presented by Uriel Lynn (Likud-Liberals), chairman of the subcommittee on road safety, on behalf of all six members of the subcommittee.

Lynn said that the state collects \$1.3 billion a year from car owners and purchasers, but it spends only \$44 million on road development. The latter figure is only one-third of the sum spent in 1970 (\$130m.), when the number of cars was only one-third of what it is today.

Investment in road infrastructure is the most effective method of reducing road accidents, Lynn said.

Shoah screening next Tuesday

Knesset Speaker Shlomo Hillel has withdrawn his objection to the screening of Claude Lanzmann's



film Shoah by the Education Committee on July 8, the date of Kurt Waldheim's swearing-in as president of Austria.

In a press communiqué yesterday, Hillel explained that, since a screening on that day had political implications, he had decided to consult with the prime minister and the foreign minister on the subject.

Both of them said that there was no point in such a "demonstrative expression," and asked that the film be screened on another day. Hillel had thereupon set another date with the agreement of committee chairman Nahman Raz.

But after the committee explained that the screening was intended for its members alone as part of its work, and not for all MKs, and after the foreign minister announced that in that case he had no objection, Hillel approved the screening on the original date.

British MP urges new Waldheim probe

By JERRY LEWIS
Jerusalem Post Correspondent

LONDON. — British Labour MP Greville Janner, who has led a campaign in Parliament to persuade his government to release all files relevant to the Kurt Waldheim affair, yesterday called for a new inquiry.

The demand follows the discovery of a document in a West German archive in Freiburg that names four British prisoners of war as having been sent to Waldheim's interrogation unit in May 1944.

A World Jewish Congress spokesman said that the document clearly contradicted denials by the newly elected Austrian president that his war-time unit had received prisoners or interrogated them.

Life terms sought for Achille Lauro hijackers

GENOA (AP). — The prosecutor in the Achille Lauro hijacking trial yesterday asked the jury to convict all 15 defendants and to sentence seven to life in prison, including the alleged mastermind of the hijack, Mohammed Abbas, who is being tried in absentia.

Prosecutor Luigi Carli sought the life term, Italy's most severe penalty, for Abbas, a leader of the Palestine Liberation Front, who orchestrated the October 7, 1985, hijacking of the Italian cruise liner.

He also requested a life sentence for Yussef Magid al-Molqi, the hijacker accused of shooting to death a crippled man, Leon Klinghoffer, of New York, whose body was thrown overboard.

For a second accused hijacker, Ibrahim Fatayer Abdelatif, Carli sought a 30-year sentence. He re-

quested a reduced penalty of 10 years for a third hijacker, Ahmed Marrouf al-Assadi, because he had cooperated with authorities.

A fourth hijacker, Bassam al-Ashkar, will be tried separately by a juvenile court because he was a minor at the time.

The five others for whom Carli sought life sentences are alleged planners and accomplices, including Mohammed Issa Abbas, a cousin of the alleged mastermind, who is accused of smuggling the arms used by the hijackers into Italy.

But the five, like Abbas, also known as Abbul Abbas, are all fugitives and are being tried in absentia.

The requested terms for the other six defendants range from three years to 30 years for various roles.

In all, only five of the 15 defendants are in Italian custody.

Assad to visit Moscow to buy MIG-29s

Jerusalem Post Correspondent
LONDON. — Syria's President Hafez Assad is due in Moscow soon on an arms buying visit, according to Jane's Defence Weekly.

Quoting Middle East observers, the journal reported that Syria wants to buy 65 Soviet MIG-29 fighters and air-to-air and surface-to-air missiles.

But Syria's lack of cash may block the deal. The Soviets are said to be reluctant to provide Syria with the necessary credit.

Hussein pursues Syrian-Iraqi summit

Jordan's King Hussein will soon visit Iraq, Syria and Saudi Arabia to pursue his efforts to achieve a rapprochement between Damascus and Baghdad, according to the semi-official Jordanian daily Sawt A-Sha'ab.

High June death toll in Lebanon

Two hundred and sixty people died in Lebanon's civil war last month, an increase of 70 on figures for May.

Fighting between Amal Shi'ite militiamen and Palestinians around the Beirut refugee camps accounted for 119 of the June deaths.



PLO allowed to reopen Kampala office

KAMPALA (Reuters). — The Ugandan government has agreed to allow the Palestine Liberation Organization to reopen its office in Kampala after a seven-year break. Radio Kampala said yesterday.

The announcement practically coincided with the 10th anniversary of Israel's rescue of ten passengers aboard a hijacked Air France plane at Entebbe Airport.

The PLO office was closed, along with the Libyan Embassy, after the downfall of the dictator Idi Amin in 1979.

American hostage released in Beirut

BEIRUT (AP). — An American held captive for 11 months by Lebanese drug traffickers has been released unharmed and delivered to the U.S. Embassy in Christian East Beirut, Lebanese officials disclosed yesterday.

The freed hostage was identified as Steven John Donahue, of Hollywood, Florida.

PETITIONERS

(Continued from Page One)

The petitioners claimed that (a) the president had no power to give such pardons and (b) even if he had such power, it was unconstitutionally and incorrectly used last Wednesday.

The court has apparently noted the chink in the armour-plating of the deal worked out by Camp David. The deal was a compromise between the Likud and the Labour Party, which was the central "crisis" in the affair may have rendered investigation of their roles "pointless" (in Harish's phrase), an investigation of the crimes is far from pointless insofar as a whole range of other alleged "criminals" in the affair have not been pardoned.

Shalom, it is alleged, gave the order to kill the two terrorists captured after the Tel Aviv-Ashdod bus hijacking of April 1984. He and his three Shin Bet aides, it is further alleged, then participated in the cover-up and the framing of then paratrooper corps commander Yitzhak Mordechai. Now they are immune from prosecution.

But the GSS officers who allegedly carried out the killings, and, with others, allegedly gave false testimony in three investigations of the event, have not been pardoned, and are all still open to prosecution.

Moreover, if the political echelon — meaning Vice Premier Yitzhak Shamir — who was premier at the time and ministerially responsible for the Shin Bet — was involved in any way in the killing or the cover-up, he too, and perhaps his aides, if they were involved, may be open to prosecution.

In this sense, the hasty deal worked out by the lawyers and the ministers has left a whole lot, or two sets, of officials not covered by the immunity of the pardon (if it is valid) and, hence, an investigation of the affair would be "pointless."

A police investigation, ordered by former attorney-general Professor Yitzhak Zamir before his ouster, is what the High Court decision may be leading to.

This prospect may have wonderfully concentrated minds in the political arena. Until now, there has been no synchronisation between the political and judicial campaigns to force an inquiry.

The Likud, led by Shamir, has steadfastly opposed any inquiry. In Labour, the vast majority of ministers and MKs has demanded an inquiry, with most preferring a full-scale judicial commission.

Shamir was eager to bring the matter to a vote in the cabinet, where the Likud could muster a majority and quash the campaign. Labour stalwarts have for the past few days been trying to persuade the Likud to agree to some sort of compromise which would mean an inquiry not by judicial commission, but perhaps by a "lone investigator" (a judicial figure of stature).

The High Court's ruling, and the trend of thought it seems to portend, have changed everything.

The Likud may now come round to the view that the hour for a compromise has struck. It may feel that it would be better to agree with Labour on a probe by a lone investigator rather than await uncertain High Court developments, which may end in an order for a full-scale police

HOME NEWS IN BRIEF

Pit opens on street, swallows worker

TEL AVIV (Itim). — A 50-year-old cleaning worker from Gaza, Ali Ismael, suffered extensive injuries yesterday when he fell into a pit that opened up next to the Dekel Cinema here.

The pit was apparently formed when an underground bomb shelter collapsed.

Schoolboys find body

By YORAM GAZIT
BNEI BRAK. — The decomposing body of an unidentified elderly man was found yesterday morning by two pupils from the Or-Gaon Yeshiva.

The 13-year-old boys were playing near the yeshiva when they saw two legs sticking out of a bush. Thinking the legs were those of a dummy, they pulled them out and were shocked to discover a corpse.

Police said yesterday that there were no signs of violence on the body.

46,000 get boot

HAIFA. — A total of 46,000 cars were "Denver booted" in Tel Aviv during the year since the system was introduced, engineer Shlomo Feldman of the Tel Aviv Municipality told a meeting on road safety at the Technion on Tuesday.

Palestinian killed by bomb he was handling

By JOEL GREENBERG

A Palestinian was killed on Monday when a bomb he was handling exploded near Ariel in the West Bank, it was revealed yesterday.

Informed sources identified the victim as Jihad a-Dik, of the village of a-Dik. They said security forces had arrested another villager, Farouk Abdel Hadi, on suspicion of involvement in planting the bomb.

A man identifying himself as a spokesman for Fatah's Force 17 claimed responsibility for the bomb in a phone call to Agence France Press in Jerusalem.

Bus shelter vandalism

Bus shelter vandalism has returned to Jerusalem after several weeks of calm. On Tuesday afternoon, a Mea She'arim yeshiva student was caught spray-painting a bus shelter near the central bus station.

Later that evening, a vandal smeared black paint across a mayonnaise advertisement in a bus shelter in the Givat Mordechai neighbourhood.

Vered Yericho members plan to return

By JOEL GREENBERG

Members of Moshav Vered Yericho near Jericho, who abandoned their homes last month to protest against lack of funds, plan to return to the site today.

The settlers decided on the move after reaching an agreement, mediated by Housing Minister David Levy, by which they are to receive an additional ministry mortgage to build permanent housing. Funds from a first mortgage were lost when the bankrupt agricultural purchasing association to which the settlement belongs used the funds to pay off its debts, instead of transferring them to the settlement.

Recognition urged for Conservative, Reform Judaism

By HAIM SHAPIRO
Jerusalem Post Reporter

The head of the Kibbutz Hadati religious kibbutz movement has called for at least de facto recognition of Conservative and Reform Judaism in an interview published yesterday in Yehuda, the publication of the United Kibbutz Movement (Takam).

Yitzhak Plezner, secretary-general of the movement, which comprises 17 settlements, says: "In my opinion, one must recognize the fact that Conservative and Reform exist. I feel that were we to bring the matter for discussion in the official bodies of the Kibbutz Hadati, there would be wide agreement on that."

Plezner also spoke of the "wide common basis" that he felt with Reform and Conservative Jews who have settled in Israel, adding that the religious factor "even creates an additional closeness."

This is probably the first public statement by an official of an Orthodox religious body, albeit one on the left of the Orthodox religious spectrum, to indicate any sort of acceptance of Conservative and Reform Judaism as such.

Jewish-Catholic group leaves for Vienna to protest against Waldheim's inauguration

By WALTER RUBY

NEW YORK. — A small group of prominent Jews and Catholics left here last night for Vienna, where they plan to hold a peaceful protest during the presidential inauguration of Kurt Waldheim.

The announcement of the group's departure came as the World Jewish Congress revealed it had found documents which show that, during World War II, the intelligence unit in which Waldheim served ordered the deportation of Greek Jews to the crematoria.

The group, called the Committee of Conscience, includes Bobby Brown, the mayor of Tekeah, who is presently in New York serving as a

Jewish Agency emissary; Rabbi Avi Weiss and Glenn Richter, respectively national chairman and executive director of the Student Struggle for Soviet Jewry; Sister Rose Thering, a professor at Seton Hall University; and David Bossman, provost at Seton Hall.

Richter said yesterday that the five plan to hold a Sabbath service in central Vienna, and to hold a non-violent demonstration at the scene of Waldheim's inauguration on July 8.

"We are demanding that Waldheim resign as president of Austria or agree to submit to a commission of inquiry made up of Holocaust survivors, as well as Greek and Yugoslav partisans and representa-

tives of the communities in those countries which were destroyed by order of Waldheim's Army Group E," said Richter.

Elian Steinberg, executive director of the WJC, said that his organization's investigators had uncovered "explosive" documents at the West German National Archives in Freiburg which show that Waldheim's intelligence unit, based near Salonika, ordered the deportation to the Nazi death camps of the Jews of the islands of Rhodes and Crete in 1944.

Waldheim, who served as the top assistant of the intelligence chief, has maintained that he knew nothing about the deportation of Greek Jews.

of the communities in those countries which were destroyed by order of Waldheim's Army Group E," said Richter.

The demand follows the discovery of a document in a West German archive in Freiburg that names four British prisoners of war as having been sent to Waldheim's interrogation unit in May 1944.

A World Jewish Congress spokesman said that the document clearly contradicted denials by the newly elected Austrian president that his war-time unit had received prisoners or interrogated them.

With great pain and deep sorrow we announce the sudden death before his time of the head of our family, the loved and revered

Dr. AKIBA HOFFMANN

The funeral procession will leave today, July 3, 1986 at 3:00 p.m. from the Municipal Funeral Parlour, at 4 Rehov Dafna, Tel Aviv. For further details call: 03-221471, 03-612498

The mourners:
Wife: Hilde Hoffmann
Daughter and son-in-law: Gaby and Elchanan Neumann
Grandchildren: Sharon and Adi
Sister: Eva Meyer and family, New York
Brothers: Joseph Hoffmann and family, Stockholm
Elhanan Hoffmann and family, Tel Aviv

Transportation will be available at the funeral parlour. Mourners will sit shiva at the home of the deceased: 6 Rehov Adam HaCohen, Tel Aviv.

Tutu hits bombings, gov't imposes new ban

JOHANNESBURG. — Anglican Bishop Desmond Tutu yesterday condemned the outbreak of bombings in South African cities and appealed for talks to ease the country's racial conflict.

"I am deeply distressed at the recent spate of bombings and condemn such acts of terrorism vehemently and unequivocally," said Tutu, the archbishop-elect of Cape Town.

His statement came a day after a bombing in downtown Johannesburg injured eight people. Three of them were kept in hospital, including a two-week-old baby who was reported in stable condition with a lacerated ear.

Tutu said that, while many whites believe that the bombings are the work of black radicals, many blacks suspect that white right-wing extremists are responsible.

"The problems of our country cannot be solved by the violence of injustice, oppression and exploitation, nor by that of those who seek to overthrow such a repressive system," Tutu said.

"There is much goodwill still left — can't we get together and talk? Can't those recognized as authentic leaders and representatives of all our people get together and talk?"

In a separate development, the South African government yesterday banned several of the most prominent anti-apartheid organizations from holding indoor meetings.

They include the huge umbrella group, the United Democratic Front (UDF), the rival black consciousness Azania People's Organization (AZAPO), the Azania Students' Movement, the Detainees' Parents Support Committee, and the Re-

lease Mandela Committee.

A ban on all outdoor political gatherings in certain regions has been in force for more than a year.

The Detainees' Parents Support Committee said yesterday it would ask international human rights organizations to press the government for better treatment of detainees.

The committee said many families of detainees had not been notified of detentions.

As a first step, the committee said, the government should be asked to announce the names of all detainees.

The committee statement said families encountered a "wall of silence" from authorities in trying to establish where people were being held and whether they were detained under emergency regulations.

The police are to press charges of murder, arson and assault against 780 people held under the state of emergency, the government's Bureau of Information said yesterday.

The authorities have refused to disclose how many people are being held.

Bureau spokeswoman Ronelle Henning told a press briefing in Pretoria that the detainees when formally charged would have access to attorneys.

In another development, representatives of the country's major pharmaceutical companies issued a statement warning that production of life-sustaining drugs could be disrupted by strikes prompted by detentions of union leaders. Fourteen drug companies were hit by a two-day sit-in strike last week.

The labour monitoring group, an independent team of academics, reported Tuesday that 226 union members are known to be in detention

under the emergency, 88 per cent of them from the Congress of South African Trade Unions — the country's largest labour federation.

Also yesterday, the government began issuing new identity documents to blacks, the first such documents which do not denote the race of the holder.

The documents are being issued under a plan to create a uniform identity card for all races — whites, Indians and people of mixed race.

Blacks are receiving the new document in place of the hated pass book which controlled their presence in "white" areas. Enforcement of the pass laws was abandoned by the government earlier this year and the laws were officially scrapped on Tuesday.

Officials also announced that government erected had demolished 78 shanties erected on the outskirts of Cape Town's Crossroads squatter camp by refugees from last month's fighting.

An estimated 70,000 blacks were left homeless, and as many as 100 killed, in two rounds of violence at Crossroads between anti-apartheid militants and conservative vigilantes. In the end, the vigilantes virtually drove the militants from Crossroads, leaving large tracts of land in ruins.

Meanwhile, the *New York Times* reported that four anti-apartheid activists were killed and two wounded after South African Police turned them into a house with promises of weapons and then raked the house with gunfire.

The killings took place June 19 in Chesterville, a black township in Durban, the newspaper said. (AP, AFP)



Jennifer Stuart, the winner of the national Statue of Liberty look-alike contest, graces the New York skyline from the deck of the visiting British carrier Ark Royal. (Reuters telephoto)

Razzmatazz for Liberty

NEW YORK (AFP). — New York throws its biggest ever party for the next three days to mark the centenary of the Statue of Liberty, mixing patriotic drum thumping with all the razzmatazz America can offer.

The city authorities expect up to 12 million visitors to attend the celebrations, with Mayor Edward Koch proclaiming: "When the best city in the world throws the biggest party in the world, the entire world is invited."

The statue has just undergone a \$66m, two-year facelift, and the celebrations have been brought forward several months to coincide with the fourth of July, which falls on Friday.

A gift from the French people, the statue was inaugurated on October 28, 1886; more modest ceremonies are scheduled for the actual anniversary.

Tonight, President Reagan and French President Mitterrand, the only foreign head of state invited, will take up position on Governors Island, opposite the statue in New York bay.

Reagan will activate a laser beam which will progressively illuminate the renovated statue, to the accompaniment of a 120-trumpet fanfare.

Some 3,000 "guests" have paid \$5,000 each to attend, and those taking part include such stars as Frank Sinatra, Gregory Peck, Mireille Mathieu, Jose Feliciano and Elizabeth Taylor.

Some 200 immigrants, including the dancer Mikhail Baryshnikov, will be made U.S. citizens by Chief Justice Warren Burger on Ellis Island, the old reception centre across from the statue where more than 17 million

immigrants took their first steps on American soil.

Reagan will present "Liberty medals" to 12 eminent Americans of foreign origin — including the wrath of the big Irish and Italian communities, which are not represented.

Recipients include broadcaster Alistair Cooke, who came to the U.S. from England; actor Anthony Quinn, Mexico; photographer Dith Pran, Cambodia, whose exploits were depicted in the movie *The Killing Fields*; film director Elia Kazan, Greece; Archbishop Torkom Manougian, Armenia; and former New York Giants baseball star Bobby Thompson, Scotland.

Demonstrations are planned to protest against the presence of the Chilean four-master *Esmeralda*, which several human rights groups claim was used as a torture centre after the military coup in 1973.

The celebrations have spelled big money for New Yorkers whose property looks on to the festivities. Many have rented out their homes for as much as \$40,000, while riverside restaurants are charging \$400 for a dinner reservation. The city's 100,000 hotel rooms are packed.

More than 40,000 vessels, from luxury yachts to canoes, will create a huge traffic jam on the two rivers that flank Manhattan.

Keeping a watchful eye on all this will be 15,000 New York police. There have been reports that the elite anti-terrorist unit Delta Force will be on alert in the city in case of a terrorist attack.

And in the middle of all this will be the statue itself — which will be reopened to the public on Saturday, in the presence of Reagan's wife Nancy.

FOREIGN NEWS IN BRIEF

Molotov says 'da' to a century

MOSCOW (AFP). — Vacheslav Molotov, Stalin's long-time premier, was "happily retired" and hoped "to live to be 100," he said in a rare interview published here yesterday. He is 96.

It was the first time that Molotov, nicknamed "Mr. Nyet" by the West when he was foreign minister (1941-57), had been mentioned in the press for many years. He was premier from 1931-41, during the Stalinist purges.

He was one of the main victims of Nikita Khrushchev's de-Stalinization campaign, and was shunted off as ambassador to Ulan Bator, Mongolia.

Molotov was only rehabilitated in 1984 by another Stalin veteran, Konstantin Chernenko.

A reporter for the weekly *Moscow News* interviewed Molotov in his "modest dacha in the countryside" near Moscow.

Molotov told the reporter that he rose at 6.30 a.m., then did 20 minutes of outdoor exercise followed by an hour's walk in the woods. He took a two-hour siesta, and read for six hours.

"I have a good pension, and a happy old age," he said. "I want to live to be 100."

Almost 1,500 Filipinos killed since January

MANILA (AFP). — Nearly 1,500 Filipinos have been killed in insurgency-related incidents in the first six months of the year, the state-run Philippine News Agency (PNA) quoted a top military intelligence official as saying yesterday.

Colonel Antonio Samonte provided the figure in a security briefing for civilian and military officials.

The 1,485 fatalities included 641 communist rebels, 453 soldiers and 391 civilians.

In the last incident, 11 army soldiers led by a major were killed in an ambush by communist New People's Army guerrillas Monday on southern Luzon Island.

10 rats for a marriage, 25 for divorce in Java

JAKARTA (AFP). — Rats have become currency for administrative paperwork in a West Javanese village following a recent drive to eliminate the crop-eating rodent.

Starting in May, village authorities in Lombang decided that people requesting administrative permits should hand over a specified number of dead rats, the newspaper *Pikiran* said.

Rakyat quoted a village chief as saying: "The chief said five dead rats are required for the issuance of a pass or temporary identity card, 10 rats for a marriage permit, while a divorce permit or a permit to hold a feast at home would require 25 dead rats."

The drive has already brought in some 20,000 rats, the paper said.

Canadians crack down on Sikh extremists

TORONTO. — Twelve months after the explosion that downed an Air India jumbo jet en route from Toronto to Bombay, killing all 329 people on board, Canada seems confirmed in its unwelcome reputation as a world centre of Sikh terrorist activity.

On the first anniversary of the worst terrorist incident in aviation history — which police believe was planned and mounted by Sikh extremists on Canadian soil — 22 Canadian Sikhs are in custody, awaiting trial on a variety of charges connected with the campaign for a separate Sikh state, thousands of miles away on a dusty Punjab plain.

In Hamilton, Ontario seven Sikhs are accused of conspiring to blow up the Indian parliament in New Delhi, to kidnap the child of an Indian MP, to derail Indian trains, and to blow up an Indian oil refinery.

In Montreal, Quebec, five Sikhs are accused of conspiring to blow up an Air India flight from New York to Bombay.

In Campbell River, British Columbia, four Sikhs are accused of trying to murder a visiting cabinet minister from the Punjab.

And in Lahore, Pakistan, six Sikhs from Canada are accused of beating up two Indian diplomats as they visited a Sikh temple.

The latest case is the one against seven Sikhs in Hamilton. Three of them were stopped by British intelligence at London's Heathrow Airport last weekend, en route for India, and sent back to Toronto, where police were waiting to arrest them.

They were all members of the extremist Babbar Khalsa sect, whose leader, 42-year-old Talwinder Singh Parmar, is one of the accused. He is also wanted in India for the alleged murder of two policemen in 1981.

Last October, Parmar and one of his followers were arrested in connection with the Air India bombing, and a simultaneous bomb outrage at Tokyo's Narita Airport where a suitcase being transferred from a Canadian Pacific flight exploded, killing two baggage handlers.

The vast majority of Canada's 100,000-strong Sikh community are industrious and law-abiding. But even those who disapprove of terrorism frequently support the claim for a separate Sikh state of Khalistan in the Punjab. Those who do not and dare not speak out, claim they are subject to intimidation by extremists.

Feelings are still high over the Indian Army's assault on the Golden Temple at Amritsar, the Sikhs' holiest shrine, just over two years ago, in which 1,000 Sikh militants were killed, and over pogroms against Sikh civilians which followed the reprisal assassination of Indian Prime Minister Indira Gandhi.

(London Observer Service)

Turkish P.M. on first visit:

'Will always back Turkish Cypriot Republic'

ANKARA (AFP). — Turkish Prime Minister Turgut Ozal went to northern Cyprus Wednesday for an official visit described as "provocative" by Greek Cypriot leader Spyros Kyprianou.

It is Mr. Ozal's first visit since Turkish Cypriots in 1983 established the Turkish Republic of Northern Cyprus — recognised only by Turkey.

Turkey has always supported and will always continue to support the Turkish Cypriot Republic of Northern Cyprus," Ozal said in an arrival statement.

Officials in Ankara said the two-day visit would be devoted to economic problems and no new proposals for the divided island should be expected. Greek Prime Minister Andreas Papandreu is said to have refused a meeting with Mr. Ozal on the "green line" dividing Turkish and Greek Cypriots.

Turkey pays half the cost of running the self-declared republic (population 160,000) and wants it to

become self-supporting. Cyprus is a principal cause of the poor relations between Greece and Turkey. The island has been divided since 1974 when Turkish troops entered the north during a failed coup against Greek Cypriot leader Archbishop Makarios which, if successful, would have reunited Cyprus with Greece.

Turkey has since offered negotiations with Greece and has accepted a U.N. plan for a bizonal federation, but these have been rejected by Athens.

The internationally recognized government of Greek Cypriot President Spyros Kyprianou in the south has branded the Ozal visit as a "provocation, stressing Turkey's expansionist objectives against Cyprus."

As part of the protests Greek Cypriots early Wednesday mounted a round-the-clock vigil blocking the only checkpoint along the heavily fortified "green line" splitting the Greek and Turkish Cypriot sectors

of Nicosia, the capital. All work came to a standstill for 10 minutes in the Greek Cypriot part of the island at 10 a.m.

The demonstrators strung giant banners reading "Ozal stay out — let the refugees return to their homes"

On Tuesday evening about 1,500 demonstrators, representing the 180,000 Greek Cypriots refugees from the north, also demonstrated at the checkpoint.

Soviet, French share Moscow violin prize

MOSCOW (AFP). — Soviet national Ilya Kaler and Frenchman Raphael Oleg yesterday jointly won first prize in the violin section of the prestigious Tchaikovsky competition.

Chinese national Xue Chei and the Soviet Union's Maksim Fedorov shared second prize, while the third position went to Australian Jane Peters.

Fiery Leconte, giant Zivojinovic into semis

WIMBLEDON (AP). — Henri Leconte of France, fired up by a call on his opponent's serve, stormed into the Wimbledon semifinals yesterday with a 4-6, 7-6, 7-6, 6-3 victory over Pat Cash that ended the unseeded Australian's incredible comeback.

Leconte is the first French semifinalist at Wimbledon since 1946, when Yvon Petra of France won the tournament.

Slobodan Zivojinovic, a 1.96-metre muscle man with a blasting serve, also advanced with a 6-2, 7-6, 4-6, 6-3 victory over India's Ramesh Krishnan, becoming the first Yugoslav to reach the men's semifinals here in 19 years.

Leconte, the no. 7 seed, will play the winner of the quarterfinal match between defending champion Boris Becker and wounded Mikhail Medvedev of Czechoslovakia.

Zivojinovic will take on the winner of the match between top-seeded Ivan Lendl and American Tim Mayotte.

Cash had upset a pair of seeds, No. 15 Guillermo Vilas and No. 2 Mats Wilander, on his way to the quarterfinals. What made his journey from unseeded longshot to one of the last eight more amazing was his rapid recovery from an appendectomy just three weeks before Wimbledon started.

He looked like a good bet to reach the semifinals for the second time in his career as he won the first set. Leconte's most notable moments came when he caught a butterfly in his racket and demonstrated a perfect soccer-style header on the return of a fault.

Even in the second-set tiebreaker, Cash appeared to be in control. Then, one of his serves got

Leconte going. The serve was declared good. Leconte thought it was long, and protested loudly but to no avail.

The next sound heard on centre court was Leconte kicking his game into high gear.

He won the tiebreaker, then smothered the third set, and Cash — for the first time in a fortnight — looked like a man less than a month out of a hospital bed.

By the fourth set, Leconte was mulling, pumping his fists and charging about the court. When Cash, jumping for a shot, sent a volley out of bounds for double fault, Leconte turned to the stands and thrust his arms in the air, a French version of "Rocky" on the meek-but-Wimbledon grand.

He then sat down by the umpire's chair and cried.

Zivojinovic seems to play his best tennis in the Grand Slam.

His size and power are perfect for grass-court tennis, and that is where he has made his biggest impact — and in big tournaments.

He reached the semifinals of the 1985 Australian Open before losing to Mats Wilander, and last year at Wimbledon he upset Wilander in the first round.

LATE RESULTS: Ivan Lendl struggled past Tim Mayotte in five sets 6-4, 4-6, 6-4, 3-6, 9-7.

Becker beat Medir 6-4, 6-2, 7-6.

Zimbabwe reach final

Zimbabwe reached the final of cricket's mini World Cup in comprehensive manner when they beat Bermuda by 10 wickets in the semifinals in the English Midlands.

Bermuda 201-7 (60 overs); Zimbabwe 202-9 (Patterson 123 not out, Brown 61 not out). They meet either Denmark or Holland for the right to play in next year's full World Cup. That semifinal is evenly poised. Denmark 221-8 (60 overs); Holland 78-1 (27 overs).

Over-size Coke logo costs Boris \$1,000

WIMBLEDON (AP). — Wimbledon men's champion Boris Becker, who signed a contract at the start of this year's championships to promote Coca Cola, has been fined \$1,000 for displaying an over-size advertisement on his shirts.

Tournament officials said the Coca Cola advert was on two shirts the 18-year-old West German wore during his fourth round victory over Mike Pernfors of Sweden on Monday.

In his report, tournament referee Alan Mills said Becker violated a regulation that states that no commercial logo should be bigger than 13 square centimetres.

The rules apply to clothing worn on court or at any press conference or tournament event.

Belgium seeks Heyssel hooligans' extradition

BRUSSELS (AP). — Belgium yesterday formally asked Britain to extradite 26 people to face criminal charges related to the 1985 Heyssel stadium riots in which 39 soccer fans died.

"The required (extradition) documents were sent from the Belgian Embassy in London to the Home Office today," the Justice Ministry spokesman said.

In an effort to stamp out soccer violence, British officials have said they would favourably consider requests for extradition of those implicated in the Heyssel stadium riots of May 29, 1985.

The British fans would face charges of assault and battery and involuntary manslaughter. If convicted, they could face prison sentences of up to 15 years.

More trouble for Botham

LONDON (AFP). — Controversial England all-rounder Ian Botham has been called to appear before Test and County Cricket Board chairman Raman Subba Row to explain his derogatory remarks about the England selectors made in an after-dinner speech last week.

The Somerset star described the selectors as "A bunch of gin-slinging doddlers," adding: "You have a better chance of picking a Grand National winner than you have making your mind up what the selectors are going to do."

Of a typical selector's year, he said: "They bring him out of a loft, take the dust sheets off, give him a pink gin and sit him there. He can't go out of a 30-mile radius of London, because he's usually too pissed to get back."

"You never see them in India or Pakistan — they're not that stupid. We go out there and get dysentery, cholera and typhoid, and don't see a bird for three months."

"Then they make a major decision about who goes abroad. Someone comes and puts a sheet over their heads, more pink gin and then back into the loft until the following April."

The executive committee of the TCCB were not satisfied with Botham's written apologies to the selectors.

In a statement after their meeting here, the committee said: "Botham has already made a personal written apology to the chairman of selectors, but he is to be called to meet the chairman of the TCCB as a matter of urgency to explain why these and other derogatory remarks were made."

Botham is currently serving a two-month suspension imposed by the board in May for smoking cannabis.

Seaver wins his debut, 6th straight for Boston

NEW YORK (AP). — Tom Seaver struggled in his debut with the Boston Red Sox on Tuesday night, but got what he wanted — a victory.

Seaver gave up four runs on nine hits in seven innings, yet was the winning pitcher as Boston beat the Toronto Blue Jays 9-7 for their sixth straight victory.

In other American League games, New York beat Detroit 5-4 in 10 innings, Texas defeated Minnesota 5-0, Cleveland ripped Oakland 9-0, Baltimore beat Milwaukee 7-3, Seattle beat Kansas City 8-5 and Chicago defeated California 5-3.

In the National League, New York edged St. Louis 2-1, San Francisco downed Atlanta 9-6 in 10 innings, San Diego beat Houston 7-4 and Philadelphia slipped Pittsburgh 5-4 in 12 innings. Montreal at Chicago was suspended after seven innings because of darkness with the score 0-0.

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Hostages recall Entebbe, 10 years after the rescue

'The memories come surging back again'

Post Defence Reporter
"We only fly El Al, so I'm not worried about being hijacked again," Solange Tachner said yesterday at a ceremony at Beit Hanassi marking the 10th anniversary of the Entebbe rescue operation. Solange, now a bright and breezy 12-year-old, was the youngest of the hostages held in Uganda.

The whole Tachner family - parents, George and Tsippi and three young girls, Regine, 6, Sabine, 3, and Solange, 2 - were on the ill-fated Air France flight 10 years ago on their way home to France. The family came on aliyah a year later and now live in Caesarea. George, a doctor, works at the Laniado Hospital in Netanya.

The trauma of Entebbe has affected the girls in direct relation to their ages. Regine relives the horror daily and it still disturbs her sleep at night. Sabine remembers little apart from the menu at Entebbe, "chicken and rice." She can't help feeling anxious, however, before an overseas flight. But they are reassured, as Solange points out, by the security on El Al and they now only fly on the national carrier.

Solange is not bothered at all by what she and her family went through. "I was the youngest there and I don't remember a thing, apart from what my mother and the others tell me," she says.

Tsippi says, "it's impossible to forget the Entebbe experience. The memories come surging back every time there is a military operation or something like that."

Sorin Herscu, who paid one of the highest prices for the Entebbe rescue, was present at the ceremony seated in his wheelchair. A member of the rescue force, he was shot in the mouth during the action, the bullet lodging in his spine and completely paralyzing him.

Herscu says he is proud to have been a member of the operation and happy to meet people he had a hand in saving. "I don't know all of them by name, but I recognize the faces and I see them from time to time. Some came to see me in hospital, others I have not seen since Entebbe."

Seated next to Herscu was Anat Brodsky, who was six when the IDF



Solange (left), Sabine (centre) and Regine Tachner, who were rescued from Entebbe, attend a reception yesterday at Beit Hanassi to mark 10 years since the operation. (Isaac Harari)

came bursting into the old terminal at Entebbe Airport. Now a petite, vivacious teenager she is one of Herscu's most faithful visitors, calling on him at least once every 10 days. Anat, who lives in Tel Aviv, was with her older sister Dana and her parents at Entebbe.

"Anat is my adviser," he smiles. When I ask what she advises him about, she chips in, "Everything." "Well, she tells me what flowers to put in the garden," he says, explaining that a gardener looks after the actual planting at his house in Afeka, near Tel Aviv. Herscu has not let his

disability get him down. He is now busy studying computer programming after studying sociology and social science at Tel Aviv University. He operates the computer keyboard with a mouth-stick and "is not slower than people who use one finger to punch the keyboard."

French Jew remembers an old woman's dignity

By DANIEL GAVRON
Jerusalem Post Reporter

A French Jew, who served as intermediary between the hostages and the hijackers at Entebbe, said yesterday that the experience had tied him more strongly to Israel. "The terrorists probably didn't plan it that way," Michel Cojot told *The Jerusalem Post*, "but Entebbe reinforced my links with this country. I now have a number of close friends here."

Cojot, an industrial consultant, is back in Israel to mark the 10th anniversary of the rescue operation. The alert, articulate, solidly-built Cojot, was responsible for securing supplies and minimal comforts for the hostages.

When most of the non-Israeli hostages were released, Cojot offered to remain; but Israeli diplomat Ilan Hartuv persuaded him to go. Debriefed by Israeli agents in Paris, Cojot supplied vital information concerning the airport's layout, the location of the hostages and terrorists and of the explosive charges they had planted.

"I have often wondered if I was right to leave," confessed Cojot, "but from a practical point of view, Ilan was right in telling me to go." Nevertheless, he disclosed, he had sometimes been subject to abuse "by people far away from the action" for "abandoning" the Israeli hostages.

For Cojot, the presence of his 12-year-old son Oliver was an important feature of his experience at Entebbe. Cojot's father had died in the Holocaust, and this made him



Dora Bloch (Weiss)

particularly concerned to behave well in front of his own son.

"I am certainly proud of my son's behaviour at Entebbe," he said, "and I am also proud that my Israeli friends think that my son does not have to be ashamed of his father." He was being modest: the Israelis at Entebbe were full of praise for Cojot's courage and initiative.

One of Cojot's most vivid memories of the ordeal was of the separation of the Israelis from the others and of the white-haired, 73-year-old Dora Bloch stooping with dignity to pass under a wooden bar, nailed across the doorway to separate the Israelis from the other hostages when she needed to go to the toilet on the far side of the large hall.

"I looked into the eyes of one of

the terrorists," said Cojot, "and he looked down, ashamed. He was humiliating an old woman; but she retained her dignity, and, in fact, he was the one who was humiliated."

[Dora Bloch had been transferred to Kampala Hospital by the time of the IDF rescue. Shortly after the operation, she was dragged from her hospital bed and murdered, on the orders of Uganda ruler Idi Amin.]

Cojot also remembered his many talks with the hijackers and the terrorists who joined them at Entebbe. These were mostly of a practical nature, about supplies and facilities for the hostages, but they proved that "there are very few people with whom you cannot make contact."

Even the German woman hijacker, clearly psychopathic, who behaved cruelly to the adults, was friendlier to the children. When Cojot wanted an uninterrupted conversation with another terrorist, he sent 12-year-old Olivier to keep the German woman talking.

The Israelis at Entebbe were a cohesive group and very practical, adapting quickly to the situation. Israel could be proud of their behaviour, said Cojot. But the other passengers had nothing to be ashamed of either. The Frenchman was "personally hurt" by the portrayal of the passengers as a panicky mob in the Menahem Golan film about Entebbe.

Looking back, Cojot still regrets that the French did not think of sending troops to rescue the hostages at Entebbe. They had forces in Djibouti, not so far away, and he had



Sorin Herscu, paralysed during the Entebbe rescue raid, talks at Beit Hanassi yesterday with Israeli Ambassador to the UN Binyamin Netanyahu, brother of fallen Entebbe hero Yonatan Netanyahu. (Dan Landau)

been hoping they would appear. In his view, that would partly have wiped out the "shame of Vichy," where Frenchmen in French uniforms were responsible for the deaths of Jews.

His other main regret is that terrorism and counter-terrorism have escalated since Entebbe. "We have not managed to prevent this 20th century scourge," he noted. He also pointed out that the Middle East

problem, which was the root cause of the hijack, had still not been solved.

"The Entebbe rescue was so completely justified, and so well executed," he concluded. "Since then I have never recaptured that feeling of an issue being so clear cut. Things that have happened since then have not been so clear." [More on Entebbe - including the role played by Michel Cojot - in tomorrow's *Jerusalem Post* magazine.]

Arab views of the GSS crisis

Focus is on 'marginal issues'

IN PERSON
By BENNY MORRIS



Sarith Nusseibeh (Zoom 77)

The GSS (Shin Bet) affair seems to West Bank Arabs to be a somewhat abstract business. If anything, they appear surprised that the Israelis are surprised by, and are making a fuss about, allegations that the Shin Bet killed two Arab prisoners and subsequently lied and dissembled in a cover-up, according to Sarith Nusseibeh, lecturer in Medieval Islamic philosophy at Bir Zeit University.

"The average Arab doesn't appreciate or analyze the [Israeli] dilemma, of security versus the rule of law. The average Arab knows the GSS or the security forces from the occupation end, and takes it for granted that they do these kinds of things - killing, lying," says Nusseibeh.

The affair seems to be centring on "marginal, secondary things," he says. "Ideally, it should be centring on the actual crime [the killing of the two captured Arab terrorists in April, 1984], on the background [of the occupation], on how deep-rooted is the attitude of mind in Israeli ruling circles that issued in the crime, and in the treatment of Palestinians under the occupation."

"Even accepting that there are two kinds of diseases at issue," says Nusseibeh, referring to the cover-up before the judiciary and the killings, "the second kind, surely, is more important, the kind that thinks of Palestinians as 'cockroaches in a bottle'."

West Bankers are interested in Israeli society and in the workings of Israeli democracy, says Nusseibeh. "They watch television and see Israelis constantly arguing, berating the prime minister and the ruling parties."

"But somehow, they understand that this democracy is limited to the interaction between Israelis, and

does not cover the interaction between Israelis and Arabs."

The Shin Bet affair "confirms rather than disproves" the West Bankers' feelings about Israel. "If you ask an Arab, 'Do you think the Shin Bet is moral?' he will laugh in your face. The question is ridiculous. He views the Shin Bet as an organization that is out to get him and will do so if it can."

For example, West Bank Arabs believe, says Nusseibeh, that the bomb attacks on the Arab mayors in the early 1980s were carried out by the Shin Bet or on its behalf. "The average Arab believes that the Shin Bet could place a bomb in a refugee camp to drive out Arabs. People under occupation don't think the same way as you do."

Turning back to the events of 1984, Nusseibeh says West Bankers consider the hijacking of the Tel Aviv-Ashkelon bus an "extraordinary, strange" event. "What was important about it, from this side, was who took and received credit for it. I think it was the PFLP [Popular Front for the Liberation of Palestine]. It struck one as a very daring attack."

Of course, afterwards, he says, everyone naturally believed the families of the dead Arabs when they charged that the security forces had "cllobbered to death the two Arabs. It was taken for granted. This is the folk understanding of the [Israeli] security forces."

The only argument, among West Bankers, says Nusseibeh, is over how deep and widespread is the attitude of mind in Israeli society that issues in such crimes.

Killed terrorist's brother expects little from inquiry

By JOEL GREENBERG
Jerusalem Post Reporter

Misbah Abu Jami, brother of one of the terrorists beaten to death after the Ashkelon bus hijacking, is cynical about the prospects of an Israeli commission of inquiry uncovering the truth about his brother's death and the subsequent coverup of responsibility for the killing.

The 18-year-old appeared extremely bitter and wary as he spoke to visitors in a room in his family's house off a dirt alley in the Gaza Strip town of Bani Suheila, not far from Dir al-Balah, where his brother Subhi was killed. He sat under a tinsel-decorated picture of his brother, in the room they used to share.

"I don't expect much from an inquiry," he said. "Israel is supposed to be a civilized country. But in fact there is democracy only inside Israel, not for us. The whole issue came up now only for your own internal reasons, not for our sake."

The Abu Jami family intends to petition the High Court of Justice for an investigation of the incident, and has requested the assistance of Progressive List for Peace MK Mohammed Miar, who visited the family this week.

"We want to know exactly what happened and precisely who it was who killed my brother," Misbah said. When asked what he would consider an appropriate punishment, he said: "The Arabs say that whoever kills should be killed."

Misbah said his brother had hijacked the Ashkelon bus together

with three former schoolmates - his cousin Majidi Abu Jami, who was beaten to death with him; and Muhama Baraka and Jamal Kabanah, who were killed when the bus was stormed by the IDF. Misbah's father, a diabetic, lives in a remote Gaza Strip village with one of his three wives. Misbah and his siblings live with the two other wives.

Misbah says his brother might have been moved to hijack the bus after a demonstration he attended at which three girls had been killed.

Misbah was careful to avoid direct support for the bus hijacking. "Some people here support action against civilians as well as soldiers, others only against the military," he said.

Would he do the same? Misbah paused, drew on his cigarette, sipped a cup of tea, and finally said, "I don't deal with politics."

He said he had been told of his brother's death by the army, but had learned the details of the killing from the media. Only his father had been allowed to receive the body, which he had buried on his own. Misbah was held for questioning, a cousin was arrested for two weeks, and a wing of the family house was demolished. The rubble is still there in front of the house, and the family has been forbidden to rebuild the demolished structure.

Misbah says his family has remained unmoved by the Shin Bet crisis that is a direct consequence of his brother's killing. "It doesn't especially interest us," he said. "We want to find out the truth."

Suspected smugglers nabbed at harbour gate

ASHKELON (Itim). - Police waiting at the gate of the oil harbour here one night earlier this week arrested two suspected smugglers and seized millions of shekels worth of video recorders, cigarettes, liquor, clothes, carpets, and electrical appliances.

The goods were allegedly brought

ashore by boat from a ship in the harbour.

In another case, Lachish sub-district police on Tuesday arrested a 70-year-old man suspected of stealing trousers from the Bagir factory in Beersheva. The man allegedly took orders in advance and last month alone stole 50 pairs.

'Budget cuts kill new weaponry'

By YA'ACOV FRIEDLER
HAIFA. - Original ideas for new armaments suggested by battle experience in the Lebanon war "have been throttled by lack of development funds," Dr. Ze'ev Bonen, the general manager of Rafael, the armaments development authority, told *The Jerusalem Post* yesterday.

He said that, as a result of the large cuts in defence spending under the new economic plan, Rafael's budget had been slashed by \$25m. this year.

The research, development and deployment of new armaments take

about a decade, Bonen said. Holding back research and development could adversely affect the IDF's performance in the '90s, he feared.

He was also deeply concerned about the future of Rafael's scientists and engineers, whose jobs are jeopardized by the cuts. Many of Rafael's 7,000 employees are engineers.

"They comprise research teams of great excellence, and if we are forced to break them up it will take years to put them together again when we need them."

In order not to lose the research,

Rafael is making a concerted effort to get orders from overseas, specifically from the U.S.

Although in the past many of Rafael's projects were shrouded in secrecy, since the funding cuts were made 15 months ago the Defence Ministry, of which Rafael is a branch, has authorized providing information on projects to interested foreign parties.

Rafael's major advantages over foreign competitors derive from the combat experience of the IDF, the military experience of its engineers, and the lower cost of its products.

Sedate July 4 in prospect for Americans living here

By ANDY COURT
For The Jerusalem Post

While Americans in the U.S. celebrate Independence Day tomorrow before a 100-year-old, face-lifted Statue of Liberty and a 2-ton chocolate replica recently sent from France, Americans here will mark July 4 more sedately.

A picnic and a photo exhibit in Jerusalem and a concert in Tel Aviv will be the main publicly organized events, though there will be numerous private parties.

Tonight at 8:30, the Zionist Organization of America is to host an Independence Day and Canada Day concert featuring Canadian saxophonist Paul Brodie. The concert will be held at the Z.O.A. House, 1 Rehov Frish in Tel Aviv. Tickets cost NIS 12, including admission to a cocktail party following the concert.

Tomorrow afternoon from 2 to 5, the Association of Americans and Canadians in Israel is sponsoring a picnic in Jerusalem's Sacher Park. Bring your own food; AACI will provide the drinks, music, and games.

A photography exhibit on Jewish life in America, from colonial times to the present, starts tomorrow in the lobby of the Jerusalem Theatre. Open 1:30-5 p.m. on July 4 and 5-7 p.m. the rest of the month, the exhibit is sponsored by the Anti-Defamation League.

Smallest aliya figure from USSR ever

Immigration to Israel from the Soviet Union has reached an all-time low. According to figures released by the Council for Soviet Jewry, 55 Jews left the Soviet Union in June. Of these, only 13 came to Israel. If this trend continues, 1986 will show the poorest immigration rate of Soviet Jews since the establishment of the state.

The inspector-general of the Bundeswehr, General Wolfgang Altenburg, says in a report that the new warheads would allow a surprise attack deep into West German territory.

An accuracy of up to about 10 metres in the near future of missiles with a range of about 950 kilometres could not be ruled out, he told a cabinet meeting in early June.

Independently targetable non-nuclear warheads for the SS-21 and SS-23 missiles were already available, says Altenburg's report, which was leaked in mid-June.

The new warheads, the report maintains, will allow the Soviet Union to take out airfields and com-

Western Europe threatened by new Soviet missiles

By TONY CATTERALL

BONN. - The Soviet Union is introducing highly accurate short and medium-range missiles with conventional warheads which present a new threat to Western Europe, according to a classified report to the Bonn government.

The inspector-general of the Bundeswehr, General Wolfgang Altenburg, says in a report that the new warheads would allow a surprise attack deep into West German territory.

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The new warheads, the report maintains, will allow the Soviet Union to take out airfields and com-

mand centres in a surprise attack. The report also speaks of a new tank armour developed by the Soviet Union.

About 30 per cent of the approximately 26,000 Warsaw Pact tanks stationed in East Germany have been equipped with the new armour, which could not be penetrated by the West's Milan Hot and Tow anti-tank missiles.

Altenburg says the Western alliance does not need to fear a Soviet attack at present, not least because of the risks involved for Moscow.

But the extent of the Soviet Union's armaments, which exceeded what is needed for defence and to maintain its position as a world power, makes possible the planning of a short conventional war in Europe, in which the risks are calculable.

The basic goal of Moscow's "regional military superiority" is to achieve political influence in Europe if necessary by blackmail through

the threat of using military force. The Soviet Union possesses the greatest fully mechanized army in the world, being able to mobilize 200 divisions for a war, with another 55 divisions coming from its allies.

It has also greatly improved the quality of its weapons systems. The Soviets themselves speak of a "second revolution" in the military area. Altenburg says, to which the new missiles, warheads and tank armour belong.

A Defence Ministry spokesman confirms that the report, leaked to the right-wing *Frankfurter Allgemeine Zeitung* newspaper, is "essentially correct."

But he adds that Altenburg also presented "recommendations, on the traditional line of improving conventional defence to raise the nuclear threshold."

There was a time when such recommendations would have been part of the West German political consensus. But the opposition Social

Upper Galilee Chamber Music Days, 1986

Beit Ha'am - Kfar Blum, August 3-9

Violin: Yigal Tunes (Israel Quartet), Raphael Marcus (Israel Quartet), Elav Priel, Ora Shiran (Israel Chamber Orchestra), Gil Sharon (Holland), Viola: Alar Arad (Cleveland Quartet), Yossi Gutman (West Germany), Ze'ev Steinberg (Israel Quartet), Gilad Karni, Cello: Catalin Ilea-meier (Philharmonia Hungarica), Doron Tolster (Israel Sinfonietta, Beersheba), Raz Cohen, Alexander Kaganovsky (Israel Quartet), Double Bass: Gabriel Volé (Israel Philharmonic Orchestra), Guitarist and conductor: Doron Salomon (Britain), Piano: Evelyn Brancard (USA), Flute: Uri Shoham (Israel Philharmonic Orchestra), Horn: Robert Pade (Philharmonia Hungarica), Bassoon: Uzi Shalev, Trumpet: Ilan Eshed, Percussion: Gene Cipriani (Israel Chamber Orchestra), Chen Zimbalista, Singers: Lily Tunes (Soprano), Mira Zakai (Contralto), Wynford Evans (Tenor - Britain), Michael Rippon (Bass - Britain), Harpsichord: Zami Ravid.

Quartet in G minor for Piano and Strings, No. 1, Op. 25. Trio in E Flat major for Piano, Violin and Horn, Op. 40. Love Song Waltzes for 4 Voices and Piano - four hands, Op. 52. Wednesday, Aug. 6, 9.00 p.m. Beethoven - "Fandango" Quintet in D major for Guitar and Strings. Beethoven - Serenade in D major for Flute, Violin and Viola, Op. 25. Shostakovich - Seven Poems for Soprano, Violin, Cello and Piano, Op. 127. Text: Alexander Blok. Quintet - Trio Patheque in D minor for Clarinet, Bassoon and Piano. Thursday, Aug. 7, 9.00 p.m.

Haydn - "London" Trio in G major for Flute, Violin and Cello. Dowland - Five Galliards for Tenor and Guitar. Britten - Six Songs from the Chinese for Tenor and Guitar, Op. 58. Purcell - Sonata in D major for Trumpet, Strings and Continuo. Maxwell Davies - Eight Songs for a Mad King, for singer-actor and six instruments. Friday, Aug. 8, 9.00 p.m. Paganini - Terceto in D major for Violin, Cello and Guitar. Beethoven - Entr'acte for Flute and Guitar. Saint-Saens - Septet in E Flat major for Trumpet, Piano, String Quartet and Double Bass, Op. 65. Schubert - Quintet in A major for Piano and Strings, D. 667 - "The Trout". Saturday, Aug. 9, 9.00 p.m. Glinka - Wild Asphodel - A Small Galilee Anthology for Contralto, Violin, Viola, Cello, Flute and Percussion. Mozart - Quartet in E Flat major for Piano and Strings, K. 493. Bach - J. S. Bach - String Quartet Fugue from "The Art of the Fugue". Gould - "So you want to write a fugue" for four voices and string quartet. Beethoven - Septet in E Flat major for Strings and Wind Instruments, Op. 20. Programme subject to change.

Tickets: Main distributors: David Shahar, Ayelet Hashahar, Tel. 069-45640, 069-37592. Tel Aviv: Hadran, Tel. 03-248844. Jerusalem: K'la'im, Tel. 02-240896. Haifa: Graber, Tel. 04-384222; Ticketron, Tel. 04-388011. Safed: Greenbaum, Tel. 069-30249.

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Musical Director: Idith Zvi. Producers: Idith Zvi, Liora Shuvai, Ya'acov Schneider, Tibi

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HOLOCAUST RESPONSA

By ERNIE MEYER / Jerusalem Post Reporter

These are examples from a lecture on "Responsa from the Holocaust Period" given by Dr. Meir Ayal, of Haifa University. He was speaking at a four-day international conference on "Religious Jewry and Religious Thought during and after the Holocaust," held recently at Bar-Ilan University, sponsored by the Arnold and Leona Finkler Institute of Holocaust Research.

A FATHER IN AUSCHWITZ asks a fellow prisoner, a well-known rabbi, whether he may, without breaking halachic law, bribe a capo to take his only son off a list of people selected for the gas chambers. The father knows that by his action he will cause the capo to pick another Jewish youngster to make up the required number.

In the ghetto of Kovno, a man chosen to lead the morning synagogue service refuses to recite the blessing "... Who has not created me a slave." He asks the rabbi whether saying it is even forbidden, since under the circumstances it seems to be an untruth.

Shortly after the Holocaust, a Jew asks his rabbi whether he may recite kaddish for a Christian woman who has just died. He was one of a group she had hidden in her cellar at the risk of her life.

Ayal, 72, was born near Vienna and is a member of Kibbutz Yifat in the Yezre'el Valley, which he helped found 52 years ago. He is a senior lecturer on Jewish thought and is not Orthodox himself. He pointed out that the approach to general moral questions and the problems specific to religious Jews are not usually dealt with in Holocaust literature.

Ayal pointed out the unique nature of many of the responsa stemming from the Holocaust period, although there is a long history of halachic decisions on subjects dealing with Jewish martyrdom. Based on talmudic dicta and earlier sources, the literature continues to the period of the Crusades and includes the pogroms of this century.

The rabbis had to face new situations in the Holocaust for which halachic precedent sometimes provided only imperfect guidance. Most of the responsa were written after 1945, dealing with questions arising from the ghettos or camps, or with questions of conscience after the war.

Wide-ranging in every way

MUSIC / Eli Karev

THE INTERNATIONAL Women's Music Festival held in Beersheba last week covered remarkably wide ground. Historically, the repertoire ranged from the harpsichord suites by Elisabeth Jaquet de la Guerre (1669-1729) to an orchestral composition by the 11-year-old New Yorker, Dali Warsaw, (who based her work on no less lofty a source than the Bible). Geographically, the repertoire embraced the "String Quartet No. 3" by Junko Mori of Japan and the songs by a Norwegian, Agathe Backer Grøndahl. In terms of quantity, some 50 classical compositions were presented during the festival's four days. For good or for bad, the quality - of the music and of the performances - proved to be no less wide-ranging.

The highlights of the repertoire - note the predominance of contemporary works - were:

• **Multi-piano** by the 32-year-old Israeli, Smadar Handelsman. Written for a piano and a four-track tape (or for five pianos), it stood up to the measurements of a masterpiece. The composer's control of the varied material and its distribution among the performing components, the ability to extract sound-colour from the objectively monochromatic medium, the way the grand line and the vivid details correlated, magnifying each other to a stunning overall effect - all of these amounted to a major compositional achievement by any standard.

• **Symphony IV** by Liana Alexandra, 39, of Romania, who came from Bucharest to attend the performance. Scored for an unusual combination of instruments - a minimum of strings, some winds and a massive load of percussion - its three movements featured the different manifestations of rhythmic drive. In the colourful opening movement, the repeated rhythmic pattern served as the basis for a kaleidoscopic spectrum of embellishments and archaic melodic constructions - as if in a luscious Middle-Eastern tapestry. In the second movement, the rhythm assumed a far more violent role, creating the image of a *perpetuum mobile* of frightening energy. The off-beat emphases in the finale reminded one of the cubist expression in plastic art. A powerful and communicative music, its vitality and originality should assure it a place in the concert repertoire.

• **Five Episodes**, a most appealing short opera for unaccompanied cello by Betsy Jola of France. This sharply focused reflection of an imaginative mind endowed each of the many instrumental effects with a poetic tinge.

tivity of some of the questions, but this in no way diminished the value of the answers. "Many classical examples in the literature are based on conceivably fictitious reconstructions of actual cases," Ayal said. "But the internal evidence speaks for the veracity of most of the Holocaust questions." He gave the sources for his cases and listed halachic references. In the case of the worshipper who refused to say the blessing: "Who has not created me a slave," the halachic answer was not to omit the blessing. "We must continue to consider ourselves free men, despite all that our oppressors are doing to us," the rabbi answered.

To the man who wanted to express his gratitude by saying kaddish for a non-Jewish woman, the rabbinic answer was unequivocally in the affirmative.

A more controversial question was that of Jews who tried to save themselves by procuring baptismal certificates and passing themselves off as Christians. Rabbi Efraim Oshry flatly states that this is against halacha. On another occasion, however, he permits a Cohen, who during the Holocaust formally became a Christian but later returned to Judaism, to take part in the priestly blessing (*duchen*) during services.

Returning to the theme of sacrificing one life for another, Ayal gave the example of a group of Jews in an underground hide-out whose lives were endangered by the crying of a baby among them. When a man tried to stifle the child's cries, it was suffocated. After the war the man asked Rabbi Shimon Efrati, himself a survivor, whether he must do *teshuvah* (repentance) for his action. The rabbi, after surveying the very voluminous literature on the subject, told the man that he need suffer no pang of conscience. In the rabbi's own family, however, there had been cases where in the very same situation people had preferred going to their death and thereby sanctifying God's name, rather than touch a crying child.

A surviving son felt that he had hastened his father's death. A guard coveted his gold watch and offered to provide the aged father with an "easy end" by shooting him, rather than beating him to death, to which the son agreed. Later, he thought that if he had not acted that way, his

father might have survived the beating. The rabbi assured him that from the legal, halachic point of view, he need not do *teshuvah* and that, under the circumstances, he could not have been expected to think clearly.

Rabbi Efraim Oshry was asked shortly before the liquidation of the Kovno ghetto whether a man might commit suicide rather than watch the death by torture of his wife and children, and save himself similar torture. Ayal referred to the lengthy recitation of biblical and talmudic precedent, going back to the suicide of King Saul, in which Rabbi Oshry engaged after the war in his home in Brooklyn. The rabbi arrived at no clear-cut answer but brought another, *teshuvah* (halachic ruling). Oshry was asked at the time what blessing a Jew had to recite as he was about to be killed. Answer: "Blessed be You... Who has commanded us to sanctify His name in public."

A well-known post-Holocaust problem is that of the *aguna*, the wife who is not certain of her husband's death and is therefore forbidden to remarry. There was the specific case of the wife of a Cohen - a descendant of the priestly caste - who wanted to go back to her husband after surviving many camps. Halachically the husband may not take her back, since as a "captive woman" she must be presumed to have been dishonoured. (This stringency is only imposed on Cohanim, but not on Levites and plain Israelites.) The woman in question was reticent and

refused to talk about her camp experiences. The rabbi consulted in the matter found a *heter* (halachic legal authorization) allowing her to rejoin her husband.

Even more poignant is the case of the young wife, who wanted to rebuild her life with her husband after having been forced into a house of prostitution by the Germans. Rabbi Oshry gives his blessing, except in the case where the husband is a Cohen, warning people "not to discomfit these pure daughters of Israel in any way." In an astonishing addendum Rabbi Oshry advises these women not to remove from their bodies the tattoo marking them as "field whores" for the German army, but to preserve it as a symbol of honour and heroism.

The conduct of ghetto *Judenraete* (councils of Jewish elders) in allocating temporarily life-saving work permits, has been much discussed. Ayal did not go into it at any length. He touched briefly on whether ghetto residents should have fled into the forests to join the partisans. He quoted Rabbi Oshry as encouraging those able to take this daring step.

Ayal said that he could only hint at the hundreds of halachic questions asked in ghettos and even in extermination camps concerning the daily life of the observant Jew, the proper time for reciting the *Shema* and other prayers, the availability of a *lulav* and *etrog* on Succot, and the blowing of the *shofar* on Rosh Hashana in Auschwitz. These were signs of the inner freedom which many Orthodox Jews did not lose in the depth of their degradation.

EDUCATION. Some take it to mean character-building. The kibbutzim, for instance, used to shun matriculation, any sort of formal recognition of a young man's erudition. Not so Dr. Yehoyakim Paporisch, one of the founding members of the New Secondary School - Tel Aviv's Tichon Hadash - which will be 50 years old next year. A minimum dose of basic knowledge is essential, Paporisch asserts. He himself graduated from a Viennese secondary school and university - many years ago.

Paporisch is a geographer and his books have become standard textbooks in many schools. He chose geography because he loved to travel. At 15, he made his first solo tour of Switzerland - a safe enough country to visit alone. In time, he ventured much further - Germany, Italy, France, the Balkans, even Russia. The United States came much later, a prolonged stay which yielded a textbook.

On one of his ramblings, in the summer of 1929, he read a story in a village paper that 300 Jews had been murdered in Palestine. "My decision was instantaneous: I go!"

Palestine was unusually peaceful after the riots. The young newcomer could hitchhike safely for a month, going from the outskirts of Petah Tikva to Metulla, passing Arab villages, getting to know the country first hand. Reaching Jerusalem in a lorry he had borrowed in Afula, he registered with the Hebrew University to acquaint himself with the basics of Jewish culture - the Talmud, the Mishna.

Paporisch's first job was in Shifeya, a boarding school on a wooded hill-top near Zichron Ya'acov. "It was green, so exquisitely green in the overall bleak landscape of Pales-

A different education

THERE AND THEN
Sraja Shapiro

time. "A teacher had to teach everything, even mathematics - I can still solve an algebraic equation."

He explored the area on horseback. And he learned Arabic from a Beduin worker who used to be a brigand before coming to work for the Jews. "He had a habit of borrowing a shilling now and then, refunding the money promptly on time."

After studying at the London School of Economics, Paporisch landed at Kfar Malal. "The name of Ramot Hashavim for the nearby settlement of German Jews was adopted on my suggestion. The settlers were mostly professionals - doctors and lawyers who became farmers. Work was considered honourable in those days."

A FEW years later, Paporisch met Tony Halle, a radical young woman hailing from East Prussia, who was exploring the idea of establishing a secondary school "with a difference." The existing three prestige schools - the Herzliya Gymnasium in Tel Aviv, the Reali School in Haifa and the Rehavia Gymnasium in Jerusalem, were all considered "bourgeois."

"One has to realize how socially divided Jewish society in Palestine was at that time. The Histadrut was running its institutions as a closed shop, from sports to health services. There was an elementary school system within the Histadrut but no high

school facilities."

Tony Halle was definitely leaving in Germany. She came to Palestine under the influence of Gershon Scholem and Zalman Rubashov (Shazar, who followed Ben-Zvi as president) but retained her radical outlook. Some of her colleagues shared her views, but Histadrut leaders had their misgivings about her initiative.

However, in 1937, the Tichon Hadash opened its doors at the premises just opposite the most fashionable hotel in town, the Kacit Dan on Rehov Hayarkon (the Dan of today). Paporisch joined the venture as a teacher of geography.

IT WAS a love affair for all those concerned, Paporisch says. "We, the staff, received hardly a quarter of our nominal salaries in cash, but we were devoted to the task. The relations with the pupils were informal; they addressed us by our first name and could come to see us in the teachers' room (in the Herzliya Gymnasium, students spoke to teachers very deferentially, using the stilted third person). We encouraged pupils to join youth movements, unlike other schools. No marks were given for exams, but the teachers were supposed to write a detailed analysis of the pupil's work. However, we gave it up because the enormity of work involved and the sheer lack of time to do it properly. But we did prepare our students for the official matriculation examinations - unlike the kibbutz school, where sheer knowledge was shunned in favour of character building."

Having retired several years ago, Paporisch seldom visits the school of which he became principal after Halle's death. "Once you quit, you quit. New times, new solutions; you can't and should not try to influence."

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COMMENT:

The baron puts his foot in

The Post's Pinhas Landau takes Baron Edmond de Rothschild to task for a telegram he sent the prime minister in defence of his friend, Bank Discount chairman Raphael Recanati

THE RECANATI family are engaged in a tremendous struggle to maintain Raphael Recanati as chairman and general manager of Bank Discount and its parent company, IDB Bankholding, and thereby ignore the Bejski Commission's recommendation that he resign or be dismissed. They are lobbying Knesset members and cabinet ministers — and indeed anyone else whom they feel could help in their effort, which is now centred on preventing the Bank of Israel from implementing its powers under the Banking Ordinance. These would allow the Governor to suspend Recanati for three months, as a prelude to his being permanently removed from the bank that his family founded and still formally own.

But the Recanatis are also being assisted by their numerous business allies, both in Israel and abroad. Many of these persons and bodies have indicated, more or less openly, that they would regard Recanati's dismissal very unfavourably. Of these support moves, probably the most extraordinary came in the form of a telegram to Prime Minister Shimon Peres, sent from Paris on June 24 by Baron Edmond de Rothschild. The Baron sent a copy to the Recanatis, which they instantly passed on to all the media in Israel. The following is a translation of Discount's press release of June 25, itself a translation from the French original.

The Baron's Message
Mr. Prime Minister,

I was surprised to hear that certain authorities have decided to ask Mr. Raphael Recanati to resign from his post as head of the Discount group.

As I informed you, I was of the opinion, at the time, that it was acceptable that the government appoint an inquiry commission in order to better understand the matter of the bank shares that ended in 1983.

I am concerned and shocked by the fact that a temporary body took the place of the permanent legal bodies of the state. The legal system is entrusted with deciding punishments in line with the legal framework of the state, but with all this a democratic country allows the rights of defence and appeal.

I regard with the utmost severity the overriding of the board's decision selecting and appointing the chairman of the board of directors, who was legally appointed by it. This possibility allows abuse in similar cases and will bring about a severe blow to the image of the State of Israel, something that will create additional difficulties for foreign investment in Israel.

Mr. Prime Minister, I would like to add a personal and emotional standpoint. I have long been friends with Ernest Japhet, whom I hold in very high regard. I have also learnt on various occasions to value the moral virtues of Aharon Meir, in the framework of the Israel Corporation and in other business matters.

As regards the Recanati family, with whom we have been partners for 30 years, I may appear immodest when I point out the important role of my family in Israel's history. I always considered the Recanati family to be the worthy continuers of the Rothschild family in Israel. A blow to the good name of this family is as grave to me as a blow to my own family's good name.

The Prime Minister is aware of the great importance I attach to moral values.

Please accept my most sincere appreciation.

Edmond de Rothschild
Paris, 24.6.86

P.S. I am, of course, sending a copy to my friend Raphael Recanati to whom I am leaving the decision as to whether to publicize my telegram.

The Peasant's Reply

The epistle laid out above is surely one of the most arrogant and insensitive pieces of paper ever to cross the desk of the Prime Minister of a sovereign state — and from a foreign citizen, to boot! It is also marred by ignorance of the facts of the bank shares scandal and of the laws of Israel.

There is already, in Israel today, a major debate raging concerning the role of the American Jewish leaders who collect and deliver to us monies donated by the American Jewish community. In that instance, though, the issue is that of the accountability of the recipients to the donors — of the Jewish Agency and the Israeli government to the UJA, and of UJA leaders to their rank and file givers. If we, as Israelis,

don't like their attitude, we must at least recognize that we asked for their charity and hence their interest in the use to which the money is put is not illegitimate *per se*.

What we have in the Rothschild case is quite different. The Baron, bearing the name that symbolizes more than any other, the tradition of *shadlanus* (lobbying) that saw many Jewish communities through many narrow scrapes in "diaspora-type" situations, is using the same technique in the context of an independent Jewish state. The Baron's intervention on behalf of Recanati contains all the classic ingredients — a smattering of flattery, mock horror at the prospect of harm coming to the persons on whose behalf the appeal is being made, and a veiled threat that if the intentions of the authorities are realized then the *shadlanus* will bring his financial influence to bear in a negative manner.

One shudders to think what the reaction of Menachem Begin in his prime would have been; the man who roared the previous American ambassador for treating Israel as "a vassal state" would doubtless have known how to respond to this crass demonstration of aristocratic arrogance. But the Baron probably knows his customers. Fawning adulation and shameless obsequiousness are the calling-cards of some of our socialist egalitarians when they have to deal with the moguls who are self-appointed Jewish leaders of the Diaspora.

This is the background to Rothschild's intervention in a legal process that he has no direct *entrée* to. And on behalf of whom? To the Baron, it seems, it is on behalf of his old friend and partner, Raphael Recanati. But the Baron should be told that in Israel there exists a different viewpoint. Here, Recanati is seen as one of a group of senior bankers who led their firms and with them, the entire economy, to the brink of disaster. Granted, they were aided and abetted by cowardly and shortsighted government officials and ministers — but they planned and executed the scheme. The details, dear Baron, are available in the Bejski report which it behooves you to obtain and read, after translation if necessary; the expense would be a worthwhile investment.

In it are also recounted the specific crimes that these bankers, among them the Recanatis, are suspected — in effect, accused — of involvement in. These include such trivia as consistently misinforming the government agencies and the general public of how they were manipulating their share prices; itself a hot insignificant matter; how they distorted their own balance sheets and profit and loss statements, to the tune of hundreds of millions of dollars; set up dummy corporations abroad to facilitate the illegal purchase of their own shares; gave untrue, misleading and tendentious self-interested advice to their thousands of customers to buy their own shares at hugely over-inflated values; and generally mismanaged their banks to the point where they were faced with an immediate threat to their stability. In October 1983, so that the Israeli government had to intervene and bail them out, at the cost of billions of dollars to the Israeli taxpayer.

THE RECANATIS, those worthy continuers of the grand Rothschild tradition, were involved in all the foregoing — and more. They lied through their teeth to the "temporary body" — as the Baron terms the official commission of inquiry appointed by the Knesset under a well-known and utilized law passed by that sovereign legislative body — and were finally forced to concede that they, in cahoots with Japhet, whom the Baron values so highly, systematically cooked the books of Banks Leumi and Discount for a period of several years.

The difference between the Recanatis and the other bankers involved in the scandal is not only that they refuse to take responsibility for what they did and what it brought about. They were the only ones who had a huge and direct personal stake in the value of their bank's shares, because they owned so many of them. They are therefore suspected of having a greater interest in maintaining the "regulation" sham, and their firm opposition to the attempts to stop or mitigate it seems to support that.

The Baron also raises the now well-worn argument of "right of appeal." His dismissal of the commission of inquiry as a "temporary

body" betrays his ignorance of its function. He is right, however, in noting that it is the established court system that is liable to impose punishments as per the existing laws. He will doubtless be pleased to know, therefore, that the commission advised the attorney-general to examine the suspicions of illegality that its report raised, and that these matters may well find their way into a courtroom in due course. The wheels of justice turn slowly in Israel, as elsewhere, but they usually get the right result in the end.

What the commission understood, however, was that the banking system could not continue to be endangered by the same men, until such time as the law took effect. The commission also deliberately set out to implant a new norm in Israeli corporate life, whereby incompetents, failures and suspected criminals be forced out of the positions from which they did the damage. Again, with specific reference to the Recanatis, the prospect of having a group of unrecalcitrant liars at the head of a major bank was not one that Israel could, or should, live with. Their dismissal may be viewed as a "punishment," but the general public — particularly the growing number of Discount account-holders who are talking of withdrawing — tend to regard it as protection of the bank itself and of their deposits, against the persons who all but led their banks to perdition.

Baron Edmond de Rothschild himself knows a good deal about "the matter of the bank shares that ended in 1983," as he puts it. Israel General Bank, which was one of the banks that regulated its shares and whose ex-general manager, David Shoham, was one of those found responsible by the Bejski Commission (with no action recommended, since he had since retired), is owned by Isrop S.A. Isrop is owned by the Baron, with the Recanatis having a major (42 per cent) stake through IDB Development Corporation. Israel General Bank is a small bank, little known to the general public in Israel, specializing in rich individual customers and their businesses. Apart from its involvement in the "regulation," its main claim to fame is the fact that it lost money in both 1984 and 1985, when the rest of the banking industry made a strong recovery.

The Baron has been forced to sink several million dollars into Israel General Bank over the last three years, to extricate it from the prospect of passing into the Israeli government's ownership when it redeems its bank shares pledge in 1988. Rothschild, in effect, bought back the Israel General Bank by issuing new shares, not included in the "arrangement," which the himself bought (through Isrop) in June 1984.

His statement that he notified the prime minister that "it was acceptable for the government to appoint an inquiry commission in order to better understand the matter of the bank shares" should be viewed in this light.

TWO FINAL points. The central bank, in Israel as elsewhere, has the right to override the decisions of bank boards as to whom they appoint as chairmen. In some countries this is a formal right, in others less so; either way, it will not cause a severe blow to Israel's image. Allowing proven liars and suspected criminals to remain in charge will result in a far more serious blow. The same applies to the "good name" of the Recanatis and the Rothschilds.

As regards the real bottom line of Rothschild's barrage, the hint of a threat to stop investing in Israel, the following needs to be considered. The Israeli economy is now too big for the kind of paternalist investment that this branch of the Rothschild dynasty has in mind. Whether he and his fellow aristocrats in the European salons do or don't put their money here is small beer.

Last week, Koor Industries raised \$100m. in the U.S. capital markets in a bond issue underwritten by two major Wall Street investment banks and sold to large U.S. institutional investors. Another major Israeli concern is planning to go the same route soon. Of course, it helps to have friends in the right places to push these things, but that kind of money is placed on cold-blooded economic calculations, not philanthropy or make-work throwing away of money. We will stand or fall on our performance, not on the basis of words spoken in high places by people living in the 18th century.

Europe: a third superpower

David Krivine reports on the growing sense of a new kind of nationality in the EEC

THE MOST startling thing I discovered, during a seminar on the Common Market I attended this month in Brussels and Strasbourg, is the rise, albeit in vestigial form, of a distinct sense of European nationality.

The 12 sovereign states which make up "the Community" (that is, the European Economic Community or EEC) show signs of recognizing that they are slowly but surely being overtaken by events. The change will not happen overnight, but in the course of time France, West Germany and even reluctant Britain may well decline to provincial status.

They will, perhaps in the next century, become what Normandy, Bavaria and Yorkshire are today — regional components of a larger, this time European, entity.

What I detected was an intangible something underlying the way people talk among themselves and discuss common problems. Staff members of the UN are nominally world citizens but actually old-fashioned nationalists. Staff members of the Community are different, they seem to have a new allegiance. They no longer look upon each other quite as foreigners.

Taken aback by this unforeseen impression I took counsel on my return with veteran Israeli diplomat and expert on EEC affairs Yitzhak Minervi. He confirmed that there was substance in what I thought I had seen, adding: "Compared with the original vision of European unity it is not enough. Compared with what previously existed it is a great deal."

HOST ORGANIZATION to the seminar was the Friedrich Naumann Foundation, which belongs to the Free Democratic party of West Germany. We were 35 participants from four Mediterranean countries: Spain, Portugal, Greece and Israel. Three of those countries are new members of the Community. The fourth, Israel, has the closest relationship with the EEC that there is, short of actual membership. (It does not qualify for geographical reasons.)

The Naumann Foundation paid our fares and accommodated us regally — yet none of the lectures arranged for us dealt with liberalism, nor was there a whiff of propaganda about Germany or German culture. Like similar institutions associated with other political parties in Germany, the Naumann Foundation is financed largely by the Bonn government. Nevertheless (I was told) it takes its orders from no outsider, neither the government nor the party.

It is therefore able to adopt enlightened policies. It tries to reduce political tensions. It spreads information about causes that it thinks should be supported. It helps make politics civilized. If that is a new form of German cultural imperialism, it is one of an extremely sophisticated kind.

The new Europe is embodied in a plethora of institutions, overlapping both in membership and functions. Thus there are, believe it or not, two parliaments: one the "Parliamentary Assembly" of the Council of Europe, the other the "European Parliament" of the EEC. Both sit at intervals, so can mostly use the same chamber, though their membership is different.

The Council of Europe comprises the 12 states of the EEC plus another nine, including all the non-Communist countries of Europe except Finland. This duplication is in practice less bad than it looks because a rough division of functions has seemingly developed. I shall take the bold step of making my own classification of the various organizations, as follows:

Economic: EEC
Military: NATO
Ecology and good neighbourliness: Council of Europe
That is not all of course. Under "economic" there is also the OECD (Organization for Economic Cooperation and Development) which includes all the European countries plus the U.S., Canada and Japan. Under "military" there is the Western European Union, made up of the six original members of the Common Market plus Britain.

Under "ecology" there would seem to be an overlap between the Council of Europe and the Community's own Economic and Social Committee. Concerning the Council of Europe, people in the know confided to me that it was founded with good intentions in 1949 as a forum for consultations. The Common Market was created later with more ambitious aims, and has overtaken the older organization, making it increasingly redundant.

The Community itself is something quite particular. It has become a good deal more than an economic grouping and is in the course of political development. But its trajectory is not free of obstacles, to use an understatement.

In the last 10 years progress has got stuck. During the initial decade (in the Sixties) the member-states abolished all duties within the customs union. They adopted a common external tariff. They instituted a Common Agricultural Policy (CAP). These are tremendous achievements; but since then little has happened.

THE EEC is still not fully integrated, as the 50 states of America are integrated. It is not a single market as Japan is a single market. Behind the tariff barriers now dismantled lurk other barriers: different tax systems, different legal systems, different currencies, different public procurement policies, different national standards and speci-

"Aren't these subsidies a breach of free trade?" I asked parliamentarian Jean-Thomas Nordmann of France, a member of the EEC's External Economic Relations Committee. "Free trade is a theoretical concept," he replied. "In practice we want to guarantee the nutrition of Europe and guarantee the income of Europe's farmers. European identity would lose a lot if our agricultural policy were abandoned."

So speaks the politician: civil servants see things differently. Nicolas Wegter of Holland, a permanent official of the Commission, stated bluntly that setting an artificially high price for grain products has created surpluses that the EEC does not know what to do with.

"Butter more than two years old is unfit for human consumption. We have 60,000 tons of butter stocked up which is more than three years old," he stated. "Our grain mountain will reach 90 million tons by 1991 if subsidy policies remain unchanged. Storing that will cost us

Today the EEC includes both the North and the less advanced South, which places new burdens on the association. "We are now 300 million inhabitants," Krenzler observed. "With a gap of one to five between the living standards of the poorest (Portugal) and the richest (Denmark)," to which he might have added his own country, West Germany. The EEC will have to step up its aid programmes. More dangerously there will be increased pressure for protectionist policies.

Judging by the reaction of our Mediterranean colleagues in the seminar, the three new member countries feel rather gratified at their admission to this rich men's club. But let there be no mistake, they intend to make their presence felt.

How can the Community overcome all the fissiparous pressures and preserve the drive to greater unity? By strengthening its institutions at the expense of the separate governments: there is no other way, we were told.

THE CONCLUSION to be drawn is that Europeanism is stuck in mid-course. Governments will cooperate, but not fuse. Perhaps that is one reason why the European nations are considered irrelevant in the international arena. The EEC is more populous than the USSR, yet no one thinks it could resist a Soviet invasion without strong American aid. Soldiers in Europe will not, it is thought, fight with the same passion for Germany or France or Britain as Soviet soldiers will fight for their Russian motherland.

Why is that? I think there is an explanation. The inhabitants of the Twelve are slowly relinquishing their traditional national loyalties. They are halfway to becoming Europeans. The German as an individual is not any more the wholehearted German patriot that he was, nor has he yet become a wholehearted European patriot either. Ideologically he falls between two stools.

That is the European crisis. A third superpower added to the U.S. and the Soviet Union would do much to stabilize global politics. Europe is potentially that third superpower, but will remain diffused and paralysed until the member-states give up their separate sovereignties.

Will they ever do that? Will the separate parliaments and cabinets in Paris, Bonn, London, Madrid and eight other capitals consent to become provincial councils, subject to instructions from a central administration in Strasbourg?

Europeans steer away from that kind of stark dilemma, they put their faith in gradualism. Power will be slowly eroded in the European capitals, it will slowly accrue in Strasbourg. A Europe without economic frontiers (the aim for 1992) will be a halfway house to a Europe without political frontiers. Will the dream come true one day? Nobody knows for sure.

'We want to create a Europe without frontiers'

\$4.5b. per annum, or half the Community's budget."

Wegter believes that prices should be reduced and production cut. (It would be cut if the EEC stopped buying unsold surpluses at inflated prices.) What will happen to the farmers? He pointed out that 40 per cent of them are over 55 years old, so early retirement might be a possibility.

NATIONALIST INTERESTS overlap with sectoral interests. The farmers are supported more in countries like France where they need protection and less in countries like Britain where they do not. The states needing protection most are the Mediterranean ones; which gives me the opportunity of defining more precisely the subject of our seminar. It was the situation of the Community on the entry of Spain and Portugal (who were admitted last January). These latecomers, together with Greece which had come in a little earlier, have changed the character of the Common Market.

Formerly Italy was the only Mediterranean country in the Nine; but even Italy, an industrialized society, tended to look critically upon the partnership as — to quote Minervi again — a revival of the medieval Hanseatic League, which used to unite the prosperous North.

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For 52 years, the Central Selling Organization (CSO) of De Beers Consolidated Mines Group has succeeded in maintaining price and supply stability in the international diamond trade in an extent unequalled in any other commodity market.

Certainly one reason for the success of the CSO, commonly known as "the Syndicate," is that it controls 80 per cent of the world's diamond output on behalf of De Beers and other producers.

Despite several lean years, when sales for high-quality "investment" stones fell off and the CSO had to maintain growing stockpiles of unsold stones, the market has staged a comeback in the past year. Sales in 1985 were the best in five years for the CSO and prices have been boosted. The likelihood is that the CSO will end up making a profit on the stockpiled stones, proving again how well the system works.

Joseph Morgenstern, on behalf of The Jerusalem Post, asked a spokesman for the CSO how the organization succeeds so well at what it does.

Q: Why is it that the centralized selling system used by the CSO in London has proved so successful over the years, while other efforts to regulate commodity prices have experienced such difficulties?

A: The CSO, through its own production, its long-term arrangements with other major producers, its outside buying activities and its financial resources, has been in a position to regulate the flow of rough diamonds onto the market. During the last five years the importance of this role has been particularly relevant as the continuing high retail demand for certain diamonds has been fed from the substantial stocks held in the cutting centres. During this period the CSO withheld diamonds not currently in demand. This policy has proved successful, and we now see demand returning to all diamond qualities.

The key to the long-term stability of the diamond industry is the strength of the retail market, and here the CSO has been particularly active in the last few years, with expenditure on advertising and promotional activities now exceeding \$90 million annually.

Q: How has the CSO built up its financial reserves to facilitate this?

A: We have had a long-standing

Diamond syndicate keeps prices steady A polished act



A diamond cutter examines a stone before putting it under the knife. (Camera Press)

policy of building and maintaining a strong balance sheet by retaining a significant part of our profits from the good years in the form of cash on deposit or invested outside the industry. This financial strength has enabled us to hold substantial stocks of diamonds and sell only those diamonds for which there is immediate demand. This policy has been particularly relevant during the last few years.

Q: Can you foresee any difficulties which could impede or restrict the current recovery within the industry?

A: We are all aware of the problems of conducting our businesses against a background of fluctuating exchange rates, and this problem is likely to continue.

However, against the current favourable outlook for global economies generally, with the benefits of low levels of inflation, aided by lower oil prices, and the likelihood that

real interest rates will probably fall from their current high levels, we believe that the diamond industry can look to the future with some confidence.

Q: Do the political problems facing South Africa raise questions about its ability to continue as reliable supplier of rough diamonds to the world's markets?

A: The current events in South Africa are a cause for concern, but production from its diamond mines has not been affected. Nothing has happened to suggest that production is likely to be affected in the future.

De Beers has always been at the forefront of movements, industrial and otherwise, to bring about a fair social system in South Africa. The company believes in full equality of opportunity in all aspects of its employment practices.

Q: Have you identified any new country or market that could develop

into an important consumer market for diamond jewelry?

A: We believe that with the intense competition for consumers' disposable income from an array of luxury products it is particularly important to promote diamonds.

In recent years we have extended our marketing programmes in the expanding economies of the Far East. Our "Diamonds for Men" campaign is having an effect, especially in the U.S. where this campaign now accounts for 11 per cent of all retail sales in dollar terms.

Q: There are many producer nations now, some of them quite big like Australia. Could the CSO comment on this increased supply and the implications for the market and the producing countries?

A: Although there have been some notable recent additions to global supply including the Jwaneng Mine in Botswana and Argyle in Australia, these additions must be seen against the declining production in some other areas, the relatively low quality of the Australian production and the continued increase in retail consumption of diamond jewelry.

The CSO is confident that the current supply/demand situation is in reasonable balance, particularly when one takes into account the balancing role which the CSO undertakes in ensuring that temporary over-supply in any particular area is withheld from the market.

De Beers continues to prospect actively for new deposits, as do other mining companies, but even if a new deposit was discovered there would be a considerable time lag before it came into production. The level of diamond supply is unlikely to be fundamentally altered during the remaining years of this decade.

Q: How would you like to see the diamond industry developing over the next few years?

A: We have learned a great deal from the events of the late 1970s and early 1980s and now need to consolidate on the very real progress that the industry has made over the past year with a return to reasonable levels of profitability throughout the industry, particularly for the manufacturers.

Today's economic conditions are conducive to the continued increases in the levels of consumer demand for diamond jewelry and therefore we believe the industry is entering into a period of sound and steady growth.



Chief of General Staff Moshe Levy takes in hand a print by the Safad artist Ziona Tagger which he received for a NIS 1 donation to Libi. The print is one of 100,000, printed on plastic bags by the Super-Sol supermarket chain, featuring the works of different artists. The proceeds from the bags, which will be available for NIS 1 each, will go to different charities, with a new artist featured every month. With Levy are, from left to right, David Wainshal and Ya'acov Brin, chairman and general manager, respectively, of Super-Sol, and Yisrael Isacharov, chairman of Libi.

THE TAX BURDEN

When is a gift in 'good faith'?

By JEFF BROIDE

Personal differences among members of the Griver family led to their seeking a solution to their problems without losing sight of the tax ramifications. Their company owned two gas stations. To facilitate the exit of one of the family members from the company, one parent gave money for the purchase of an additional service-station outside the framework of the company. The retiring shareholder transferred her shares to the remaining shareholders for no consideration. Thus, the Grivers believed they had carried out this new arrangement tax-free; after all, a gift from one family member to another - in good faith - is tax-free under Section 97a of the Income Tax Ordinance, and both the receipt of cash from the parent and the free transfer of shares complied with this provision.

The assessing officer and the courts, including the Supreme Court, thought otherwise. The judges considered the parent's gift to be a *quid pro quo* for the transfer of the shares, at least indirectly. In addition, the court felt it unlikely that under such stressed family relations, free gifts would be distributed and, therefore, supported the assessing officer's rebuttal of the "good faith" claim. The court saw the entire arrangement as tax evasion and certainly not legitimate tax planning.

Having failed to prove their first claim, the family then tried to show that it was not liable for taxes on the

share-transfer because the shares were of no value since the company had accumulated losses. The court dismissed this contention as well, asserting that profit potential - and not current profits or losses - were the determining factor in valuing the shares. The judge indicated that among the factors to be considered in such valuation were its purpose, whether the company was a going concern or was in liquidation and whether it was a forced sale of a company by creditors or a dispute among shareholders.

The judge made mention of the basis of valuation indicated in the Massachusetts Supreme Court, whereby the market value was accorded 10 per cent weight, potential income, 40 per cent, and the net asset value, 50 per cent.

Assessment "According to Best Judgment"

The law permits tax authorities to ignore a taxpayer's account books and assess him according to their own reasonable judgment, when the books have been disqualified due to some major flaw or deficiency. However, in two recent cases, the judge ruled that the assessing officer may disregard the books and produce an assessment "according to best judgment" even where the books have not been disqualified.

In two separate cases, the tax authorities found that two restaurant owners (one in Tiberias and the other in Nazareth) had declared income for the particular tax year in question in a different manner than taxpayers in the same business.

In both instances, the Supreme Court ruled that the burden of proof is on the taxpayer once his books have been disqualified. Where this is not the case, then the burden of proof shifts to the assessing officer,

who must show that his assessments are reasonable. However, say the judges: "The books of account may be sound and proper in form (i.e. appearance) but fraudulent (i.e. incorrect) in their results." And here the court upheld the tax authorities' contention that the incomes declared were unreasonable and not in accordance with general business conditions.

Land - Real Estate Exchanges - VAT Consequences

In Israel it is fairly common to encounter "combination-deals," in which someone sells a plot of land to a building contractor in exchange for a number (or percentage) of apartments or other building space.

Such deals give rise to the question as to the exact date of the VAT liability and to the value of the transaction on which VAT is payable. In a recent court decision, the judge ruled that the date of transfer of the apartments is the relevant one for payment of VAT, and not the date of transfer of the land, as the VAT authorities had claimed.

However, where a cash payment is involved (and not merely an exchange), then the due date is that of transfer of the land.

As to the value of the transaction, the judge ruled that 60 per cent of the worth of the apartments was the relevant value since, despite Section 10 of the VAT Law, it was not possible to determine the ordinary market value. Therefore, the basis was the cost plus a reasonable profit, which the judge calculated as follows: land, 40 per cent, to be disregarded in "combination exchanges"; cost of building, 40 per cent; and profit, 20 per cent.

The writer is a Certified Public Accountant (Israel). Questions should be addressed to Jeff Broide at The Jerusalem Post.

Jordan central bank probing books of major money-changer

AMMAN (Reuters). - A leading money-changer has been told by the central bank to call in auditors after its apparent failure to repay fund transferred by many Jordanians from the Persian Gulf, banking sources said yesterday.

The sources said the National Exchange Co. among Jordan's top 10 money-changers, owed clients between \$2.8 million and \$8.4m. in cheques and deposits.

The central bank is already investigating another major money-changer, Saliba and Rizk Shukri Rizk Exchange Co. which collapsed last May, owing creditors nearly \$51.4 million.

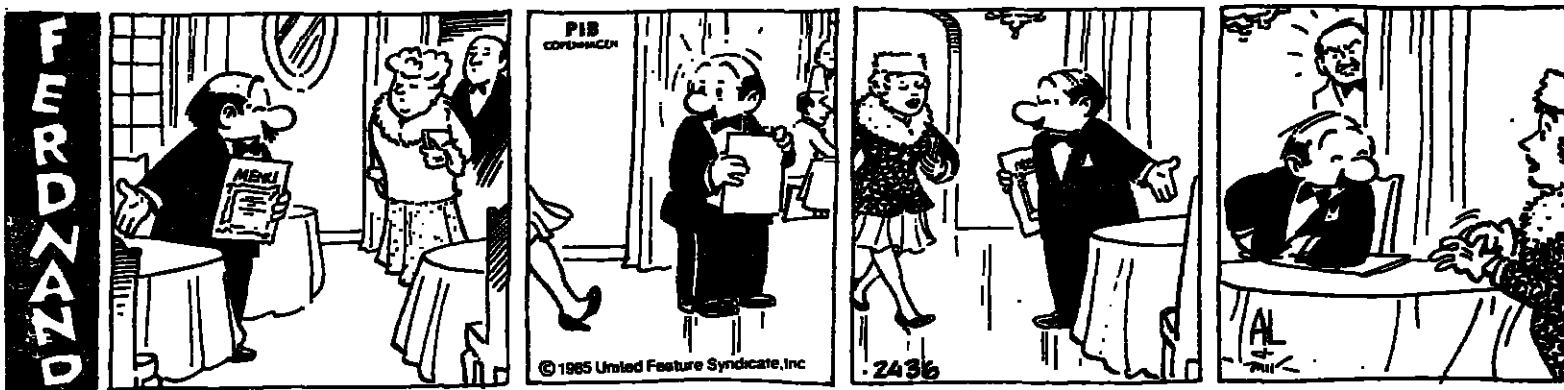
There was no immediate confirmation from the central bank of its action against National Exchange, owned by three brothers named Kar-sou, which began trading in 1979. Nor was anyone at the company avail-

able for comment.

The banking sources said the exchange closed its doors two weeks ago after alterations between the staff and angry clients who had come to cash cheques issued to them by the firm's branches in Kuwait and Abu Dhabi. The two branches have since closed down, and the Amman head office is doing only what it calls "inventory business," the sources said.

After the collapse of the Rizk Exchange, the central bank ordered all banks in Jordan to reduce the volume of facilities to exchange firms. The banks were also told not to extend unsecured credits to owners of money-changing firms or to managers of public or private shareholding companies.

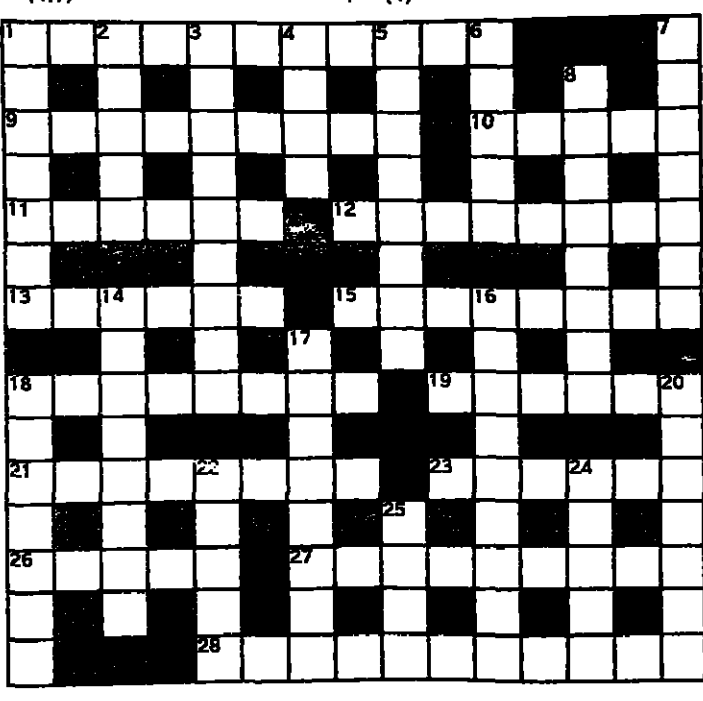
The central bank also asked 76 money-changers to submit detailed balance sheets by July 15.



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- ACROSS**
- 1 A growing concern we learn through the grapevine (11)
 - 9 Lamentable it has no happy ending (4,2,3)
 - 10 Heavenly food! (5)
 - 11 Alligator islands (6)
 - 12 It's outside a building, but not without a lock (8)
 - 13 Alloy ingredient of little value in America (6)
 - 15 Drifting life of a heavyweight on board (8)
 - 18 Sounds clear as a town-crier attracting attention (5,3)
 - 19 Goes for a spin and breaks left wrist (6)
 - 21 Just a stone's throw (8)
 - 23 & 27 Such a meeting may have smashing results (4-2,9)
 - 26 One of a number otherwise vocal (5)
 - 27 See 23
 - 28 Poser, maybe, left to resolve should present no difficulty (4,7)
- DOWN**
- 1 State tax one is able to reveal (7)
 - 2 Count on partner being on time (5)
 - 3 Shorts called for in the days of the British Raj (5,4)
 - 4 Not material for grass skirts, however (4)
 - 5 Way to employ to best advantage, it appears (8)
 - 6 Six-footer Lady Hamilton briefly encountered (5)
 - 7 Merits dismissed but continues to bat (5,2)
 - 8 Has he put his shirt on finding gold? (8)
 - 14 Endless studies too much in France (8)
 - 16 Sort of income we multiply in this state (3,6)
 - 17 The fruits of being darts champions? (8)
 - 18 Article about a sound performance (7)
 - 20 My son slogged outside New York? Yes, drunk, it means the same thing (7)
 - 22 Colour from a quiet language (5)
 - 24 Work with a bore (5)
 - 25 Show off because of a tumble? (4)



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Carmiel 988555 Netanya 23333
Dan Region 781111 Petah Tikva 923111
Elit 7233 Rehovot 451333
Hadera 22333 Rishon LeZion 942333
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2 Circle
3 Care for
4 Shouting
5 Hard sweet (anag.)
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13 Elit creature
14 Trade
15 Hasten
16 Game bird
17 Washing
18 Belief
19 Frighten
20 Went to bed
21 Tendon
22 Rower
23 Pantomime character
24 Musical best
25 Governed
26 Gate-crashing
27 Sirius
28 Large spider
29 Excess
30 Fruit
31 Orison
32 Cloric
33 Terminated
34 Do wrong

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MARKET PLACE

PINHAS LANDAU

Bad month for shares

The first two days of July brought rising prices to the share market and with them some welcome relief to investors who had been severely battered in the course of June. But shares, although the worst hit, were not the only disappointing investment area last month. The dollar gained only 0.7 per cent against the shekel over the month, but that was still more than the index of dollar-linked bonds managed, since that only rose 0.4 per cent. The "arrangement" bank shares, which are also a form of government dollar-linked bond, equaled the 0.7 per cent rise however.

The consumer price index is expected to rise by 1.5 per cent for the month. In the bond market, though, index-linked bonds eked out an average gain of 1.3 per cent. But at least their cumulative gain for the first half of the year, at 11 per cent, is well in excess of the 8.5 per cent rise in the index to date.

The real action last month, however, was in shares, and almost all of it was downward. The non-bank share index lost 8.74 per cent in June, and this meant that in the first half of the year it was up a shade less than 30 per cent. Since this index crossed the 130 mark at the end of March, on its way to a high of more than 140 in late May, it becomes clear that the second quarter was, overall, a poor one for the share market. It remains true, however, that those who got out in the strong month of May and even those who utilized the relative stability of April—did well or at least didn't waste their time.

The degree of slump in the share market last month varied widely from sector to sector. Apart from the small group of specialized financial institutions, which actually rose by 2.24 per cent, and the "arrangement" bank shares, it was simply a contest over who could fall further.

In the event, this close race was won by the electronics and optics sub-section of the industrial group, which plunged 14.05 per cent. The group index reached a level of 93 at the end of the month, or a nominal loss of 7 per cent since the beginning of the year. It is fair to say that the electronics sector has been the worst performing group this year, and the index's high has been only about 116. It is now well and truly back in the doldrums.

Back at home, runners-up for biggest losers were the insurance and the mortgage bank sectors, with over 12.5 per cent apiece. The insurance slide started when Hassneh published another loss and its boss, as well as other industry leaders, warned of worse results in 1986.

Groups as diverse as food, textiles, and investment companies found themselves in the same boat, with falls of 11-12 per cent each, while the industrial index as a whole dropped 9.11 per cent. Conversely, the least badly hit groups were the oil-exploration sector, which lost less than 1 per cent, and the widely-flung commerce and services group which gave up nearly 4 per cent.

The other main feature of the month was the gradual reduction in trading volumes in the share market, concurrent with the price falls. At the same time, bond volumes held fairly steady while new bond issues continued to attract good interest.

These facts, taken together with fundamentals from the real economy, such as the crumbling wage front and the grim figures on an import boom published yesterday, do not suggest that the reaction of the last two days, in which share prices regained some of their losses, can run for very long.

PERES, RABIN

(Continued from Page One)

about whether to press for an immediate cabinet showdown on the demand for an inquiry commission. Shamir is said to favour bringing the matter to a cabinet vote on Sunday. Other ministers advised waiting for the High Court decision.

Aren's said: "Shamir is innocent and his conscience is clean. There was an attempt to frame-up against him, but responsible Labour ministers are also coming to realize that Shamir's hands are clean. I am sure that one day all those who now malign him will beg Shamir's forgiveness for what they say about him."

Shamir repeated at the Likud ministerial caucus that he was opposed to early elections: "The effect of elections can be devastating for the economy. The public knows this and does not want these unnecessary elections. But there are things we may not be able to prevent," Shamir said. "The Shabshals and the Gurs may well drag us all into an election campaign soon. Though we don't want the campaign, they should know that we don't fear it either, and that we will win. The public is behind us on this issue. I have no part in any of the wrongdoings so maliciously ascribed to me. I will have my say in due time, in a manner that will not harm the service. The truth will come out, and those who malign me will be ashamed of themselves."

Examiner warns banks face tough future

By PINHAS LANDAU
Post Finance Reporter

The Israeli banking system is likely to lose money on its financial operations this year, as all the key indicators point to a deteriorating situation. And banks' results, for 1985—despite the increased profits they recorded, are a source of grave concern.

These were among the main conclusions offered by Examiner of Banks Galia Maor at a press conference at Beit Agnon yesterday, during which she presented her department's annual review of the banking system.

Maor reiterated the central bank's stand that the Bejski commission's call for the heads of the major banks to resign, be implemented. She said this particularly applied to Raphael Recanat, chairman of Israel Discount Bank, the only bank chief who has yet to comply with all the commission's recommendations.

Maor said she felt completely vindicated by the commission's conclusions regarding herself. The commission said no action be taken against her.

Reporters' questions focused on Bejski-related issues, particularly on the crisis surrounding Bank Discount. Asked whether the allegations contained in the Bejski report, that the banks had distorted their financial statements and prevented full disclosure to the public, impeded her department's work, Maor quoted the talmudic saying of "repeal them and suspect them."

She said the tougher rules imposed on the banks by the examiner in the past two years had closed many loopholes and improved the level of their financial reporting.

Asked whether Recanat represented a danger to Discount's stability, Maor only responded by saying



Galia Maor (Isaac Harari)

that the central bank was governed by the Bejski report's recommendations. However, she did come out in favour of the banks' disclosing the salaries and other payments made to senior managers, "not just regarding [Bank Leumi former chairman Ernest] Japhet, but as a regular matter."

Maor devoted her prepared remarks almost equally to reviewing the banks' performance in 1985 and earlier, and to analysing current trends and the future plans of her department.

Over the past two years, she noted, the banking system has been shrinking. Total assets had dropped 16 per cent over 1984 and 1985, when a prolonged recession reached its bottom and reduced demand for banking services. The number of bank accounts, for example, has dropped by 7 per cent since the end of 1983.

The banks were able to swing into the black, after the losses they recorded in 1983, posting profits in 1985 of NIS 231 million and NIS 166m in 1984, but these figures still

represented a low level of profitability, she said.

She attributed this to the cost of financing loans the banks had taken when they bought back their own shares in the months leading up to the October 1983 stock market crash; over-investment in non-bank subsidiaries that were making little or no profit; excess investment in real estate, as a hedge against inflation but again, without creating a profit stream; and the need to make very large provisions against bad debts.

Even the improvement that had taken place in the last two years, was, in the examiner's opinion, mainly temporary and not deeply-rooted. The most important source of the growth in 1985 profits was the high margin available to the banks on unlinked shekel accounts. But these, Maor noted, comprised only 5 per cent of their total balance sheets, while contributing 63 per cent of their 1985 profits.

Other sources of income, such as the commissions made from redeeming pensioners' bank shares and reinvesting the proceeds, would not be repeated this year, the examiner added. Finally, she noted, even the savings made by the banks themselves, which had contributed to reducing expenses and hence improving gross profits, had been cancelled out by their heavy tax burden. She repeatedly termed the taxes imposed on banks "discriminatory."

Maor said the overall picture of the banking sector left her "very worried." She stressed that in her view the shrinking of the sector was likely to continue into the foreseeable future. The banks would have to be extremely wary of credit and interest rate risks, meaning their exposure to borrowers of doubtful quality on the

one hand and their need to match the type and maturity of their liabilities and their assets on the other. She warned that the "distorted structure" of credit allocation, between government-directed credit and "free" credit, could not continue in its present form. The huge erosion of the real level of bank charges would have to be reversed, Maor said, quoting statistics showing that since November 1984, when the package deals began, bank charges and commissions had fallen by 58 per cent in terms of cost-of-living index and by 34 per cent when measured against an index of the banks' cost factors.

"In order to maintain the stability, profitability and independence of the banking system, the management of the banks—including those recently installed—will have to change the working methods of their institutions in every respect," she concluded.

At the same time, Maor pointed out that the authorities, both the central bank and others, had a major role to play in creating reasonable conditions for the banks. She strongly denounced any attempt to introduce artificial avenues of profit for them, which meant in effect channelling money from the government to the banks.

The Examiner of Banks Department has almost completed work on a draft of a revamped Banking Law, which would update legislation on all aspects of banking, including the banks' relations with their customers. This will soon be sent to the Justice Ministry, prior to its being presented as a bill in the Knesset.

Maor also promised that her department would be very active in formulating and implementing a plan to sharply reduce the banking system's surplus of branches, personnel and machines.

North American Bank is up for sale

Many of the questions fielded by Examiner of Banks Galia Maor concerned developments at North American Bank, which was seized by the Bank of Israel last August and has been managed by it ever since. North American's former director and Jerusalem branch manager is on trial and is reportedly negotiating a plea bargaining deal with the state prosecutors.

Maor expressed satisfaction with her decision to seize the bank and continue to manage it as a going

concern. The Bank of Israel was now negotiating a sale of the bank, she said, with potential buyers and was considering holding a public auction as an alternative method of selling the bank.

Maor rejected charges that her department had been tardy in uncovering the alleged robberies and fraud at the North American Bank. In fact, she claimed, it was as a result of the checks and reporting system introduced by the examiner of banks that the whole affair had come to

light. The sophistication of the crime, and the fact that a system of dual bookkeeping had been used meant that it would have been almost impossible to uncover in the normal run of business.

What the central bank was seeking to do was minimize the extent of the damage that the affair would cause to the public purse, Maor said. The embezzlement amounted to some \$30 million, but the final bill would be less than that.

She expressed hope that the plea bargaining deal would make it easier to trace the sums.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	115.36	+0.29%
Non-Bank Index	132.16	+1.30%
Arrangement	107.89	-0.25%
Insurance	149.86	+1.78%
Commerce, Services	157.76	+1.38%
Real Estate	161.53	+1.72%
Industrial	120.57	+1.13%
Textiles	144.23	+1.62%
Metals	116.40	+1.65%
Electronics	95.85	+0.58%
Chemicals	123.21	+1.06%
Industrial Invest.	114.23	+0.53%
Investment Cos.	132.85	+1.23%
General Bond Index	110.24	+0.10%
Index-linked Bonds	110.81	+0.13%
Partially-linked	109.98	+0.05%
Fully-linked	112.22	-0.05%
Dollar-linked Bonds	100.12	-0.05%
Short-term 0-2 yrs	108.46	+0.01%
Medium-term 2-5 yrs	109.30	+0.25%
Long-term 5+ yrs	107.29	-0.11%

Turnovers:

Shares—total	NIS 4,446,300
Arrangement	NIS 1,346,700
Non-bank	NIS 3,099,600
Bonds—total	NIS 7,129,800
Index-linked	NIS 4,181,400
Dollar-linked	NIS 2,947,400
Treasury Bills	NIS 4,920,400
Share Movements:	
Advances	204 (144)
Retirements	50 (22)
of which 5%+	4 (4)
Declines	48 (50)
of which 5%+	11 (13)
"sell-off only"	1 (0)
Unchanged	110 (152)
Trading Halt	58 (54)
Bond Market Trends:	
Index-linked	Stable/mixed to 1%
3% fully-linked	Stable/mixed to 1%

4.25% fully-linked	Stable/mixed to 0.5%
80% linked	Stable/mixed to 0.5%
90% linked	Slightly rise
Double-linked	Mixed to 1%
Dollar-linked:	
Admon	Slightly mixed
Rimon	Rises to 1%
Gilboa	Mixed to 2%
For. Curr.	Mixed to 2%
denominated	
Treasury Bills	
(monthly yield)	1.41-1.54%

Arrangement yields:

IDB ord.	12.45%
Union 0.1	12.51%
Discount 1	12.44%
Mizrachi r.	12.66%
Hapoalim r.	12.58%
General A	12.21%
Leumi stock	12.44%
Fin. Trade 1	10.81%

SELECTED PRICE QUOTATIONS

Commercial Banks

(part not of "arrangement")	
Maritime 1	1008 3454
General non-arr.	25400 32
First Int'l	3600 1837
FIBI	3970 2568

Commercial Banks

(part of "arrangement")	
IDB	82380 184
Union 0.1	81200 78
Discount	105120 59
Mizrachi	33750 730
Hapoalim r.	55800 501
General A	145700 10
Leumi 0.1	35500 1367
Fin. Trade	48800

Mortgage Banks

Leumi mort.	4480 38
Dev. Mort.	1345 142
Mishkan r.	2280 130
Tefahot r.	12300 10
Merav r.	4570 57

Financial Institutions

Agrie C.	no trading
Ind. Dev. DD	no trading
Cl. Lending 0.1	10960 55

Insurance

Ararat 0.1 r.	884 514
Hassneh r.	480 5377
Phoenix 0.1	724 717
Harmishar.	6650 21
Menahel r.	7356
Shahar r.	4080 245
Zion Hold. 1	16100

Trade & Services

Meir Ezer	4675 8
Superior 2	4740 176
Dilek r.	2800 898
Lighmar	no trading
Cold Storage	no trading
Dan Hotels	3999 93
Yarden Hotel	3250 163
Hilton 1	11575 8
Team 1	1720 228

Real Estate, Building and Agriculture

Azaron	515 3823
Elton	480 3037
Africa Int. 0.1	31800 77
Daniner	3780 20
Prop. & Bldg.	2585 1180
Baylyde 0.1	3788 146
ILDC r.	47000 29
Reesco r.	7449 224
Mahadrin	8645 183
Hadarim	1077 502

Industrials

Dubek 1	3280 140
Priz-2	2256 277
Sunroof	7980 20
Elite	11990 34
Adgar	840 349
Argaman r.	11100 36
Dalia G 1	4240 37
Megat 1	22438 20
Eagle 1	11380 19
Poiger 0.5	2852 724
Schoeller	11944 182
Rogovin	3635 795
Urdon 0.1 r.	10280 70
La. Can. Co. 1	1150 1450
Zion Cables	2211 262
Pecker Steel	6430 11
Elbit 3 r.	400000 4

Elron

Elron	307000 8
Arit	27000 88
Clal Electronics	2110 851
Spectronix 1	2040 884
T.A.T. 1	3901 130
Ackerman 1	1391 546
Agri 5	19550 210
Alliance	1850 435
Dexter	3546 88
Fertiflex	6300 80
Hafia Chem.	800 1888
Teva r.	4570 88
Dead Sea r.	14570 171
Petrochem.	520 3554
Neca Chem.	3150 110
Furum	9000 2569
Hadera Paper	203000 25
Central Trade	6370 58
Koor p.	483000 0
Clal Inds.	1285 992

Investment Companies

IDB Dev. r.	3650 1683
Elion r.	2605 853
ARI 1	no trading
Gabelat	1350 110
Israel Corp. 1	no trading
Wolfson 1 r.	107000
Hapoalim Inv.	5215 1820
Leumi Invest.	2232 2569
Discount Invest.	15845 29
Mizrachi Invest.	15845 29
Clal 10	725 3450
Landco 0.1	8505 60.1
Pama 0.1	9550 71

Oil Exploration

Paz Oil Expl.	12400 42
J.O.E.L.	1430 887

Abbreviations:

a.o. sellers only	b. buyer registered
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FINANCIAL DATA ISRAEL EUROPE U.S.

ISRAEL MONEY MARKETS July 2, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Telex	Pakam 7-Day	Pakam 30-Day
LEUMI	2.7	7-18.25%	8-17.5%	8-18%
HAPOLIM	24.6	8-16.16%	8-16.7%	9-16.65%
DISCOUNT	24.6	8-1.5%	7-15.5%	6-15.5%
MIZRAHI	8.5	8-16%	6-15%	6-17%
FRST INT'L	26.6	8-16%	7-18.7%	6-16.7%

Rates vary according to size of deposit.
(Telex: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of July 2)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	6.250	6.250	6.250
STG	8.875	8.750	8.750
DMK	4.000	4.000	4.125
YEN	4.500	4.375	4.250
	3.125	3.000	3.000

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES

	CHEQUES AND TRANSFERS	BANKNOTES	Rep. Rates
U.S.A. Dollar	1.4857 1.5043	1.46 1.53	1.4951
U.K. Sterling	1.2250 1.3136	1.24 2.36	2.2980
Deutsche Mark	0.6795 0.6877	0.67 0.70	0.6829
French Franc	0.2127 0.2153	0.21 0.22	0.2140
Dutch Florin	0.6027 0.6103	0.59 0.62	0.6064
Swiss Franc	0.8323 0.8427	0.82 0.86	0.8373
Swedish Krone	0.2091 0.2117	0.21 0.22	0.2104
Norwegian Krone	0.1985 0.2010	0.20 0.21	0.1987
Danish Krone	0.1829 0.1851	0.18 0.19	0.1839
Finnish Mark	0.2912 0.2948	0.29 0.30	0.2930
Canadian Dollar	1.0786 1.0901	1.06 1.11	1.0828
Aust. Dollar	0.9850 0.9770	0.91 1.00	0.9776
S. Africa Rand	0.5794 0.5867	0.47 0.52	0.5848
Belgian Franc	0.3287 0.3328	0.32 0.34	0.3338
Austrian Sch.	0.9851 0.9771	0.95 0.99	0.9715
Italian Lira	0.3688 1.0012	0.37 1.02	0.9947
Japanese Yen	0.3687 0.9201	0.89 0.93	0.9137
Jordanian Dinar	—	4.18 4.43	4.2311
Egyptian Pound	—	0.79 0.84	0.8186
ECU	1.4560 1.4742	—	1.4661

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Why not arbitration?

SICK PEOPLE throughout the country – some of them still in hospital, some discharged from hospital and some anxiously awaiting their admission to hospital – are in danger of their lives because the government and the striking hospital nurses cannot begin to agree on a formula that would allow a reasonable raise in the nurses' pay, and their immediate return to work.

Higher pay is plainly the key to the solution of the now ten-day old hospital crisis.

It is idle to pretend, as the Treasury does, that the hospital nurses should content themselves with whatever little pay rise is decided upon in the wage negotiations now going on in the public sector – and with such improvements in their conditions of work as they can obtain by bargaining with their employers. The nurses' workload is at present unbearably oppressive not because the government is unwilling to hire more nurses, but because low pay serves as a disincentive for nurses – mainly beginning nurses, and nurses with low seniority – to seek employment in hospitals, and to stay in them.

This, at any rate, is the nurses' argument. Finance Minister Moshe Nissim, in his virgin plunge into the troubled waters of labour relations, has maladroitness hit back at the nurses by making public the strike leaders' payslips, in order to prove that the nurses "earn almost as much as ministers." Mr. Nissim has not revealed how much ministers make, but even a cursory inspection of the supposedly incriminating documents he released should make clear that even the better paid veteran nurses would be earning but piddling salaries without considerable overtime.

Most hospital nurses would rather do without overtime, if only they could – that is, if the womanpower situation in the hospitals were not as critical as it is.

The finance minister has produced one crushing argument to justify his – and the government's – refusal to negotiate higher wages with the nurses. Special treatment of the hospital nurses' wage demands would, he insists – and the new governor of the Bank of Israel, Michael Bruno, nods his assent – open the floodgates for similar demands by other groups of workers. This might reignite the fires of inflation and do away with the achievements of the economic stabilization programme.

The dilemma is real, but there seems to be a relatively simple way out of it.

Last January the Treasury consented, albeit reluctantly, to arbitration of the nurses' – all the nurses' – wage demands, without waiting for a national wage agreement. It was the hospital nurses' dissatisfaction with the arbitrator's 12 per cent award that triggered the current trouble. Yet other groups of workers did not rise up in arms and demand their own 12 per cent wage rise. There is no reason, therefore, why arbitration of the hospital nurses' special claims – which would start after the signing of the new nationwide wage agreement – should not meet with the same response.

Provided, of course, that the government and – even more important – the Histadrut make it clear that the hospital nurses do present a special case, and that the nation's health depends on so treating it.

In return for such an offer of arbitration, all hospital nurses should return to work at once, and stop waving the threat of abandoning the few hospital posts they still occupy. The frustration of the rank-and-file, which drives the leaders almost daily to greater extremes, is understandable, but their intransigent tactics may soon be losing the nurses the large reservoir of public sympathy which has so far sustained them.

Due process proceeds

"THERE HAVE already been commissions of inquiry into the case of the bus, so why should it be any different today? Why can't there be an inquiry today? Why wasn't it feared at the time that state secrets would be disclosed, while today it is so feared?"

High Court Justice Miriam Ben-Porat was acting as a devil's advocate, so to speak, in putting these questions to Attorney-General Yosef Harish at the hearing on Tuesday on petitions challenging the presidential pardons to the Shin Bet director and three aides, and the government's failure to initiate an inquiry into the entire Shin Bet affair.

The High Court's decision ordering the government, the justice minister, the attorney-general and the inspector-general of police to show cause within a fortnight why an investigation of the affair should not be instituted, does not, of course, necessarily foreshadow a conclusion that such an investigation must take place.

But the very fact that the court did not dismiss the petitions out of hand indicates that it found them weighty enough to demand reasoned answers. And, while the court struck President Chaim Herzog's name from the list of respondents on the issue of the pardons, it left no doubt that it meant to consider the issue on its merits.

Moreover, if Mr. Harish's somewhat delayed reply to Justice Ben-Porat's questions is anything to go by, the government will be hard put to satisfy the High Court, at least in the matter of the absent investigation. What the attorney-general in effect told the court was that this time the Shin Bet could not cover up their deeds by dint of perjury but would have to spill out the truth, the whole truth and nothing but the truth. In self-protection they would therefore have to rely on precedents for the crimes they had, in effect, confessed to the president.

In the course of their defence, the learned attorney-general explained, they would "uncover all of Israel's secrets from the Hasmonean wars on."

The argument need not presumably be taken literally. In any case, it is by no means self-evident – as Justice Ben-Porat plainly suggested – that no judicial forum could be devised in this country that would keep Israel's secrets from whichever relevant period of history. By invoking this feeble excuse to rule out any inquiry whatever – which cannot even be described as official government policy – Mr. Harish has completed his hasty transformation from an independent legal counsel to the government into the personal legal aide to Vice President Yitzhak Shamir.

Mr. Shamir may have good reason to abhor the idea of an objective inquiry into the affair. In his request for a presidential pardon, the former Shin Bet director, Avraham Shalom, stated that he had received full authority to do what he was later charged by the service's dissident trio with having done, meaning the killings at Deir al-Balah, the later obstruction of justice; and that authority could only have been granted by Mr. Shalom's superior, the then premier Yitzhak Shamir.

Needless to say, Mr. Shalom's statement does not in itself constitute proof of guilt. But it cannot, by the same token, be ignored.

In Acre on Tuesday, shortly before the High Court issued its order nisi, Mr. Shamir, addressing the local Herut chapter, warned his detractors that they would yet rue the false accusations they had levelled at him. If by that he meant readiness to cooperate with a proper inquiry into the affair and into his role in it, the "barking" journalists and the "leftist" Alignment ministers of Mr. Shamir's demonology would surely applaud.

Go to the polls

YOSEF GOELL

ONE OF the greatest weaknesses of the Likud has always been its penchant for empty posturing; for taking decisions that are totally unconnected with the actions that are needed to put them into effect. Take the decision to annex the Golan and the catastrophe that is now confronting the settlements there as a result of years of near-total governmental inaction.

There is a danger, in the current dispute over the further investigation of the Shin Bet affair, that Labour and the left will be found guilty of the same empty posturing.

The problem today is not more information. Shimon Peres, the prime minister who is now in charge of the Shin Bet, and Yitzhak Shamir, the prime minister who was in charge of it and who may well be in charge of it again come October, both know all there is to know. The public knows about as much as it should know.

On the basis of whatever has leaked out to date, there can be little doubt that Yitzhak Shamir, when he was prime minister, either ordered, or approved after the fact, the wilful lying by Shin Bet witnesses to two inquiry boards.

If there is any glimmer of doubt as to that, it is Yitzhak Shamir who should be interested in a commission of inquiry to clear himself of those rather well-substantiated suspicions. The problem is not finding out more details as to the truth. What will be done once the truth is established? That is the problem. What does one do with a prime minister who, according to all the circumstantial evidence, is responsible for ordering and colluding with his subordinates to lie to official inquiry boards and to embroil a senior army commander in a miscarriage of justice that was avoided at the last minute, no thanks to him?

Judicial commissions of inquiry have proven unable or unwilling to confront such problems. The Agranat Commission consciously refrained from saying anything about the political leaders who bore the direct responsibility for whatever went wrong in the first days of the Yom Kippur War.

The Kahan Commission was more courageous: it recommended that Minister of Defence Ariel Sharon be relieved of his post but did not go so far as to insist that he be removed from the cabinet. And it offered no recommendations on what to do concerning the damning evidence of dereliction of duty that emerged against Prime Minister Begin and

Foreign Minister Yitzhak Shamir.

The Bejski Commission similarly avoided the issue of what steps should be taken against finance minister Yoram Aridor and the other political leaders who were personally responsible for the most profound economic catastrophe ever to have been inflicted on Israel.

HOLDING political leaders to their supreme responsibility is a political problem, not a judicial one. What should be done in the present case on the basis of what is already known is that Mr. Shamir should not be permitted to continue in the office he now holds and certainly not to assume the higher office of the prime minister in October.

That is not a task that can be carried out by a judicial committee. It is a political question. And Prime Minister Peres does not seem to have the political temerity – and more than likely, the political power, the cabinet, government and Knesset – to bring that about.

All the rest is froth and empty posturing.

Can we live with the alternative of leaving things at the top as they are?

As much as one would like to posture and answer with a resounding "No!", the pragmatic answer is an obvious, shamefaced, "Yes, if we have to!"

We have been living with much worse. The man who was responsible for the needless deaths of over 600 soldiers in the Lebanese War, by lying to the cabinet, the Knesset and the people, has been serving as a senior minister. Yoram Aridor was nearly appointed to head a Knesset subcommittee to implement the Bejski Commission report on the banks.

If we have been living with those travesties, it is obvious that if need be we can live with the latest one.

The solution is not yet another commission of inquiry. The only solution is the political one of Mr. Peres and Labour announcing that they have no intention of going on with the present government in which Mr. Shamir is sitting or of going through with the rotation in the premiership in October.

Once such an announcement is made, it is more than likely that the Likud will demand new elections. Taking up that Likud dare is the right thing and the only thing to do at the present stage.

The problems that will follow upon the automatic implementation of the October rotation will be infinitely worse for the country than those entailed in going to the polls today. It may well be that Mr. Peres is shying away from such a step because of party-commissioned polls, which have been telling him that the outcome of such an election cannot be predicted.

The risks entailed in going to the polls will not diminish in the next two years under a Likud-led government. The time to take the risk is now.

Diverting attention from this central political need, by debating the need for another commission of inquiry, which in any case will not be approved in the present parity cabinet, will be nothing more than empty posturing.

The writer is a member of the Jerusalem Post editorial staff.

Open to change

STEPHEN DONSHIK

A GREAT deal has been written about the Jewish Agency and its complicated system of governance. Certainly, its three central bodies, the Jewish Agency Executive, the Board of Governors and the Assembly have become more familiar to us as we followed the recent articles by Jerusalem Post reporter Charles Hoffman and the ensuing crisis created by the response from Diaspora and Israeli leadership.

However, beneath the furore of members of the World Zionist Organization and the representatives of Jewish communities throughout the world, we have, in the agency, an excellent example of the democratic process in Jewish life. It is easy to sit back and claim the governance of the Jewish Agency is controlled by an all too well-established set of politicians, but closer examination of the issues will demonstrate the ability of unaffiliated Assembly members to influence its basic policies. In fact, when Assembly members choose to focus their activities, they can create new policies or reverse accepted ones, and pave the way for change.

As an illustration of the openness of the supposedly closed system, I would like to review the passage of a key resolution during last week's Jewish Agency Assembly. The particular issue is of little concern to the author and is discussed solely to accent the true democratic nature of what has been perceived as an "old boy" friendship-political network.

A landmark resolution was passed, restricting the allocation of funds only to those Jewish schools, programmes, yeshivot and institutions that recognize and support the State of Israel, and that incorporate Zionist values in the formal curriculum and extra-curricular activities. Several criteria were set for this – celebration of Israel's Independence Day; teaching the history of the State of Israel and Hebrew; displaying the flag; and encouraging service in Israel's armed forces or alternative national service. (The complete resolution may be seen at the office of the secretary-general of the Jewish Agency in Jerusalem.)

WHERE DID the resolution come from? Who offered it? Who supported it? How was it passed? The answers to these questions show exactly how the system works and how delegates can make it work for them.

On Sunday, June 22, prior to the Assembly's official opening, I participated in a briefing for first-time attendees from the U.S. I explained the purpose, structure and function

Dry Bones



of the Jewish Agency as well as the governance and budgeting process utilized each year. Following the orientation, I told them I would be available to answer questions and would be at the Assembly during the week in case they wanted to use me as a resource.

A couple from Philadelphia asked me about the possibility of initiating any change in the system. Being the optimist I am, I challenged them to choose an issue with budgetary implications and run the course of utilizing the system. Needless to say, they were sceptical and did not believe anyone could change the policy of the Jewish Agency.

After further clarification of Assembly procedures for passing resolutions, I recommended they "do their homework" and familiarize themselves with the Jewish Agency Budget Book 1986-87. Their thirst for knowledge led them to study the public version of the budget as well as the detailed internal budget, and they spent two hours with the director of the budget office. Following this, they selected their issue and asked me at which of the many plenary sessions they should present the resolution.

I suggested the mipsi-plenums on Youth Aliya and Immigration and Absorption. The former because of the students who receive stipends to youth villages and the latter due to the Student Authority for college students who are olim from all over the world. The resolution was unanimously accepted in the Youth Aliya session but questions were raised in the Immigration and Absorption meeting. Once the appropriateness of the subject for the Student Authority programmes was clarified, an overwhelming majority passed the resolution and it was forwarded to the Resolutions Committee for presentation to the entire Assembly.

By the time the resolution was forwarded to the committee, delegates began to discuss the intent and implications of passing such a definitive statement. The couple who originally introduced the motion began to gather support from other delegates.

In the three days they spent gathering support, they were able to form an unusual coalition. On one side Uri Gordon (Labour), the head of the Youth Aliya Department, endorsed the motion without question, while on the other, Hadassah's decision to back the resolution brought along a number of "Zionist" supporters. In other issues there would not have been the unanimity of agreement, and there is no question this coalition enhanced the couple's ability to influence the agency's policies.

Although much of the attention of the recent Assembly focused on the reputed anti-Jewish, anti-Israel cartoons in the infamous booklet, there is no question the second issue was the resolution introduced by the enthusiastic, dynamic, hardworking pair from the U.S.

When the chairman accepted a motion to call the question, the majority of delegates voted in favour of the resolution. The Jewish Agency can only allocate funds to "Zionist" institutions; institutions conforming with the Agency's definition of Zionism. More important, however, was the fact that two first time attendees were able to learn enough about the system, select an issue and change a policy during the five days of the Annual Assembly. The system not only tolerates this action but also supports, endorses and encourages members to effect such changes.

The writer is director of programme evaluation, United Israel Appeal.

READERS' LETTERS

PHOTOGRAPHING HAREDIM

To the Editor of The Jerusalem Post Sir, – On the front page of your issue of June 11, you show Natorei Karta leader Uri Blau riding on the shoulders of one of his swooning disciples, smiling happily into the camera.

On page 4, of the same issue, you show a group of haredim posing happily with their handcuffs for the photographer.

On the same page 4, your reporter Haim Shapiro reports: "the accused haredim held up their hands before their faces so as not to violate the law against graven images by having their pictures taken."

In none of the photographs is anyone shown holding up his hands before his face.

A photograph is not a graven image. And the making of a graven image as such is not forbidden! But

much more consequential, the "law" mentioned by Shapiro is based exclusively on the ignorance of many reporters and writers, including some Jewish curators of art and photography, when they mention the Second Commandment in this connection.

May I suggest that Haim Shapiro and others concerned read the text of the Second Commandment to the end.

Some ultra-Orthodox Jews hide their faces from photographers because they do not consider themselves, despite their costumes which derive more from the dress of Russian moujiks in former centuries than from haggadic or halachic sources, as exotic animals for photographers and tourists.

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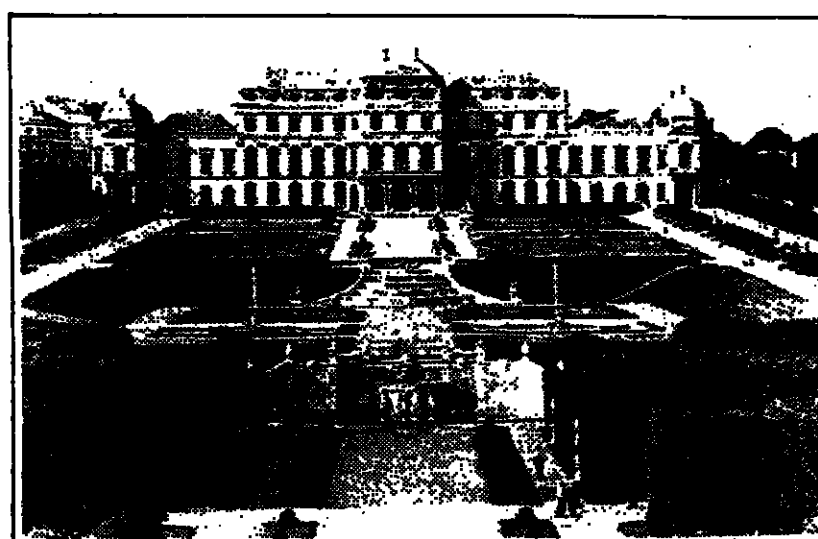
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